THE CHINA WEEKLY REVIEW

密勒氏評論報

A Weekly Newspaper Established in 1917

November 2, 1940

Franco-Japanese Pact Broken In Hanoi; American Warning Defied By Military

Puppets Battle For Control

Nazis Aid Japanese

Loot Dealers Face Ruin

General Chiang Sends Message of Hope And Encouragement To Nation

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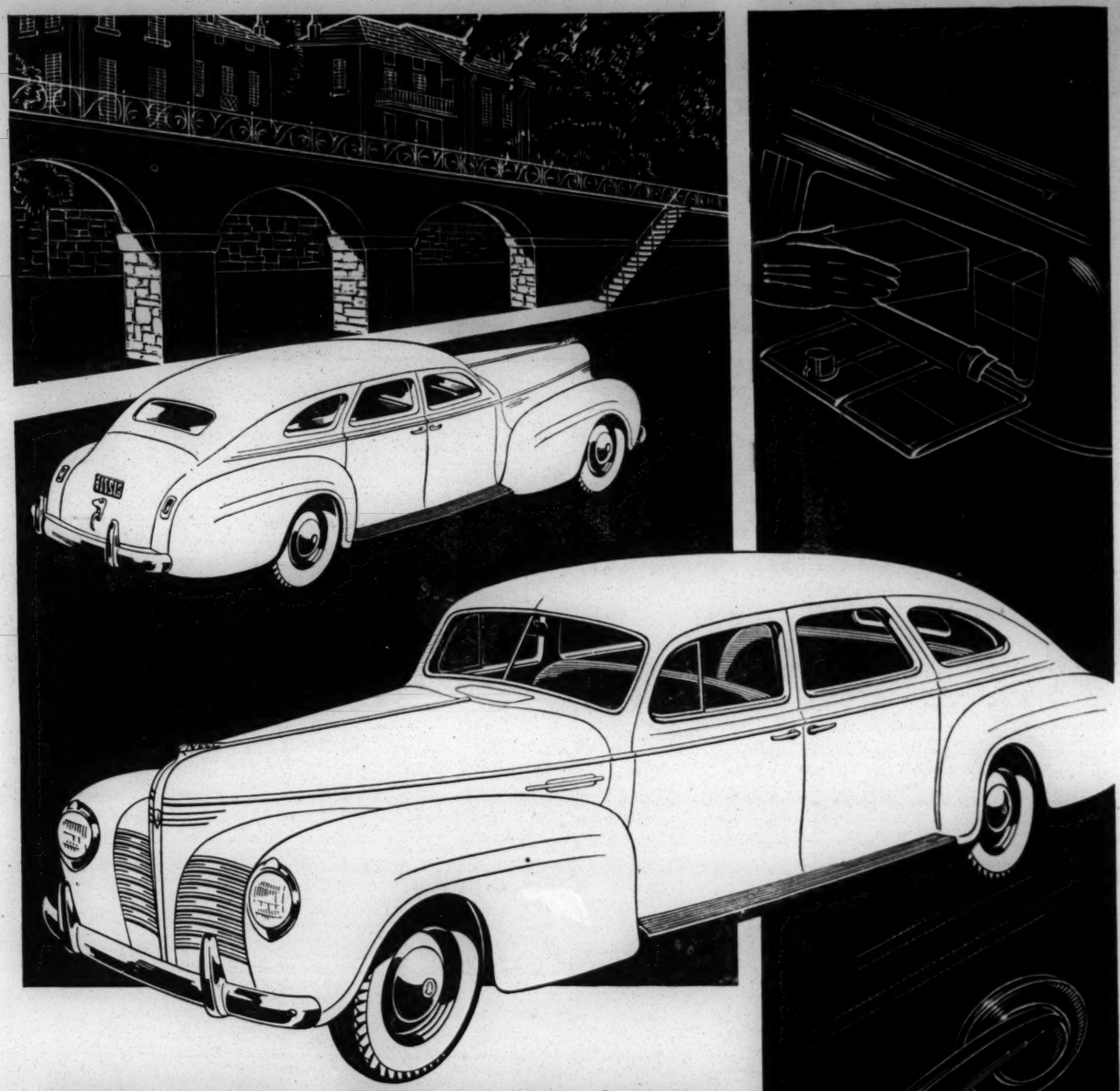

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What People Are Saying

Comments from readers on current topics are cordially invited; their opinions, however, do not necessarily represent the views of *The China Weekly Review*.

STUDENT CRISIS

To the Editor:

Kunming has experienced a cruel bombing for the third time during the past fifteen days. The first one was on Sept. 30th when one of its main streets was visited by fifty bombs at noon. Twenty-seven bombers appeared and left after releasing their heavy load within fifteen minutes. About a hundred civilians were killed and another two hundred seriously wounded. The Church hospital, situated on this very street, was bombed too. Several other church workers and myself were helping in the hospital to wash the wounded and carry them to the operation room to be treated.

The second bombardment happened on Oct. 7th. Another group of 27 bombers released their bombs on the outskirts of the part of the city, intending to destroy some factories, but fortunately no danger occurred, except for a few people killed.

The third visit was made on Oct. 13th, when 45 planes roared over the city itself in three groups. The first team was checked by our airmen outside of Kunming. Ten minutes later, the second group of eight bombers came into the city and released several bombs during their dives in the field outside the city wall. In a twinkling of an eye twenty-seven heavy bombers followed in and dropped hundreds of bombs along the north-western part of Kunming. The street where the Students' Church is situated was badly bombed. The streets where the students restaurants are situated were entirely desroyed. A large part of Yunnan University was crushed to dust and the dormitories for male students in the Normal College were in ruins.

In answering the call of the time, the college students of the Associated Universities and Yunnan University organized themselves to face the crisis. Their work may well be summarized into the following headings:

1. Emergency Food Supplies.

Two hours after the all-clear siren was sounded on the 13th, four hundred dollars were collected among fellow-students for the purpose of preparing soft rice for the homeless.

2. Medical Care.

Several groups of 16 members each are organized under the supervision of the college physicians and nurses. Special lectures are given on first-aid and air-raid precautions. Medical supplies are given by the Church hospital and the International Red Cross Assn.

3. Digging Corps.

Other groups are organized for the purpose of helping the sufferers dig out some of their remaining property from ruins.

4. Students' Relief Work.

Students who have lost their belongings during air-raids are given twenty-five dollars by the Students' Relief Committee and twenty-seven dollars by the college authorities.

5. Students' Church Social Work.

Provision and accomodation are already made in the Students' Church to receive thirty people who may have lost all they possessed.

As a whole, the Students' Church, Students' Relief Committee, YMCA, YWCA, Christian Fellowship, Youth Movement, Social Science Club, Glee Club and various students' organizations of the Associated Universities and Yunnan University are trying to co-operate to face the crisis by supporting each other in the social relief enterprise.

In all these projects, the college students are standing in the forefront to lead in the struggle for the welfare of the people. The students have shown their spirit of sacrifice and service in taking the leading role of all these said projects besides their regular heavy studies in college. They all feel confident that the victory of national salvation depends wholly on the fulfilment of every minute responsibility of each individual. China has come to a period during which each student is challenged and called to share the suffering that never happened in the history of the nation as yet. By overcoming this great suffering, the youth of China are marching towards a brighter future of prosperity, happiness and equality.

Rev. TZE-VEN HSIANG
Wenling Church for Students,
Wenling Kai,
Kunming.
Oct. 29, 1940.

RUSSIA AID

To the Editor:

May I suggest that the inferences contained in your leader in **The China Weekly Review** dated Octozer 26th under the above heading and the cartoon entitled "Only a Difference in Coiffure" are both uncalled for and premature.

Not so long ago the Chinese Ambassador to Great Britain, Quo Tai-chi, made an official statement to the effect that: "Soviet Russia is giving China more material aid than all the other countries put together" (This was published in your esteemed newspaper at the time).

A study of the economic and geographic factors would indicate the accuracy of the Ambassador's statement.

At this stage in the game recriminations are dangerous but may I remind you that the Chinese Communists were the first to preach and practice resistance to Japanese aggression and it was a Kuomingtang judge who asked one of the defendants at the "Trial of the Seven Gentlemen" "Why do you call for resistance to the Japanese, don't

THE CHINA WEEKLY REVIEW

Cable Address "REVIEWING SHANGHAI"

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you know that is what the Communists are doing?" to which he received the classic reply "The Communists eat rice and so do we."

Whatever the motives may be behind the U.S.S.R.'s assistance "The cat which catches the rat is the good cat."

"BOW BELLS"

LOT OF JUNK

To the Editor

In my opinion the naval importance of the Carribean Islands is a lot of junk. Puerto Rico has the only good harbor, which won't take a 44-ft. battleship. St. Thomas is good for only 32-ft. destroyers. Now they are making it over into a submarine base. They are rebuilding San Juan's harbor at a cost of 5 to 10 millions. Already in 1938 they had a base for 500 planes and now there is the agreement for another base at Trinidad, if a crisis develops. The Carribean has been an American Lake since the Spanish-American War, hence I wonder what the Rooseveltian showmanship is all about.

H. S.

Trinidad, Sept. 22, 1940.

INFORMATION

To the Editor:

I am keeping a file of **The China Weekly Review** for my own library as I consider the paper one of the best for current information covering China. Unfortunately, I find one issue is missing—that of July 27. Please send it and add the cost to a renewal of my subscription.

H. H.

Shanghai, Oct. 11, 1940.

NATIONAL CITY BANK OF NEW YORK

Rates of Exchange, Shanghai, October 31, 1940

Demand selling rate on New York: U.S.$1.00—Sh.$16.84

Demand buying rate on New York: U.S.$1.00—Sh.$16.49

Demand selling rate on London: £1.0.0—Sh.$62.43

Demand buying rate on London: £1.0.0—Sh.$60.95

AMERICAN STOCK AND COMMODITY QUOTATIONS

October 30, 1940

STOCKS

Amer. Locomotive	15⅞
Amer Waterworks	10
Anaconda Copper	24⅛
Bethlehem Steel	83¾
Chrysler	83
Elec. Bond & Sh.	6¼
Gen. Motors	50¼
Goodyear T. & R.	18⅛
Gt. Nthrn. Rly., pfd.	28
Lockheed Aircraft	28¾
Mont. Ward	39⅛
N. Y. Central	14½
Texas Corp	36½
U. S. Steel	65¼

COMMODITIES

New York Cotton, Dec.	9.55/55
New York Rubber, Dec.	20.30B
New York Hides, Dec.	12.32B/40A
Chicago Wheat, Dec.	83¼/83⅛
Chicago Corn, Dec.	59⅛/5
New York Sugar, No. 4, Dec.	0.79B/79½A

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NAZIS HELP JAPAN DESPOIL CHINA IN MOSCOW NEGOTIATIONS

SHIGENORI TOGO, former Japanese Ambassador to the Soviet Union, who was replaced by Lieutenant-General Yoshitsugu Tatekawa, representative of the Tokyo War Office, returned to Japan this week after two years in the Soviet Capital. In an interview with Japanese newspapermen while passing through Manchuria, Mr. Togo said that Soviet Foreign Minister Viacheslav Molotov was determined to readjust Soviet-Japanese relations during his term of office. The Soviet attitude toward Japan had greatly improved in the past two years and Soviet-Japanese relations now rested on a firm basis, he asserted.

Also in Moscow

Time Photo

Heinrich von Stahmer, Adolf Hitler's trusted agent, who helped in the difficult negotiations which brought Japan into the Berlin-Rome Axis. Japanese newspapers were fobidden to mention his name, although he was known to be working secretly in Japan for many weeks. His presence was finally disclosed in dispatches to newspapers in the United States, which were smuggled to Shanghai in order to avoid Japanese censorship. Stahmer first went to Moscow, where he told Molotov what he intended to do. He then proceeded to Tokyo where he conferred with Foreign Minister Yosuke Matsuoka and Premier Prince Fumimaro Konoye nearly every day until the pact was ready for signature in Berlin. Stahmer, who was known in Tokyo as the "Nazi's masked special envoy," is also close to Joachim von Ribbentrop. The fact that Stahmer has now gone to Moscow to participate in the Tokyo-Moscow negotiations for a non-aggression pact is of undoubted significance.

Lieut.-General Tatekawa, who was sent to Moscow for the definite purpose of negotiating a non-aggression pact, arrived in the Soviet Capital on Oct. 24. The next day reports were published in Tokyo — allegedly originating in Moscow and London— that the Japanese military-diplomat would be received by Josef Stalin on the following day, that is, Saturday, Oct. 26. The Tokyo report said that the Moscow diplomatic corps was predicting the early conclusion of a Russo-Japanese non-aggression pact. Japanese newspapers immediately published optimistic reports about the forthcoming Stalin-Tatekawa interview, only to learn that the original report was incorrect and that no interview with Stalin on the part of the Japanese military commander had been scheduled. The official *Tass* news agency cabled a message to the Far East stating that the report "did not correspond with facts."

However, Gen. Tatekawa did call on the Soviet Commissar of Foreign Affairs, V. Molotov, on Oct. 25 and presented his credentials to Michael Kalinin, Chairman of the Supreme Soviet of the Soviet Union, on Oct. 28.

So far as reports from Moscow indicate, Russo-Japanese relations rest at that point, despite the fact that Tokyo had been led to believe that something sensational would develop immediately following the arrival in Moscow of the "daring and shrewd" Japanese general.

Possibly of equal significance was the arrival in Moscow, a few hours after Gen. Tatekawa, of Herr Heinrich von Stahmer, special German Nazi agent, who was sent to the Soviet Capital to assist Gen. Tatekawa. Stahmer, described as the "masked special envoy," due to the secrecy which surrounded his activities in Tokyo, had assisted materially in negotiating the agreement which brought Japan into military and economic alliance with the Rome-Berlin Axis. It was only disclosed recently that Adolf Hitler and Joachim von Ribbentrop had first sent Stahmer to Moscow where Molotov allegedly was informed of the intentions of the Axis Powers to bring Japan into alliance with the totalitarians.

A *Reuter* report from London (Oct. 26) alleged that Hitler's diplomatic offensive also embraced the Far East as there were indications that the former German Ambassador, Dr. von Trautmann, "was likely to return to Chungking—which would be a significant move because on two critical occasions—after the fall of Shanghai and Nanking—Japan used Dr. Trautmann as an intermediary in peace overtures to Gen. Chiang Kai-shek." The London dispatch said that Hitler and Japan now stood on common ground in that both desired to liquidate the Sino-Japanese war—Germany because her Far Eastern axis partner would then have freer hands to assist more pressing Axis designs and Japan, for reasons that are more obvious after over three years of costly and unsuccessful attempts to crush Gen. Chiang Kai-shek.

Observers in Washington regarded Japan's "strenuous working for a pact with the Soviet Union and persistent rumors from Tokyo about peace talks with China," as evidence of an urgent effort on the part of the Japanese to evacuate their Manchurian borders and extricate their armies from the 'profitless' war in China. Little credence was given in Washington to reports from Tokyo alleging that Russian help for China would cease or that negotiations beween China and Japan were in the offing.

Of special significance was a *Domei* dispatch from Hongkong on Tuesday of this week alleging that the American Ambassador in Chungking, Nelson T. Johnson, had informed General Chiang Kai-shek and Dr. Wang Chung-hui, Foreign Minister, "that Washington regards most unfavorably any attempt by the anti-Japanese Chinese Administration (in Chungking) to seek to improve its international position by befriending the totalitarian powers." Newspaper readers in the Far East, who have long been familiar with the propaganda-mill operated by the Japanese in the British Colony probably interpreted this report as indicative of Japan's and the Axis' failure to force Chungking to make peace with Japan and swing China into the Axis agreement. The Japanese dispatch claimed that

the Chinese Ambassador in Berlin, Chen Chieh, had urged Chungking to "change its attitude in view of the recent diplomatic successes of the Axis Powers.

Wants Russia's Help

Time Photo

Laurence Steinhardt, U. S. Ambassador to Russia, hurried back to his post from vacation in the United States, when he learned of the Japan-Axis Pact. Steinhardt returned to the United States by way of the Atlantic but was cut off by the expansion of the war fronts in Europe. He was forced to return by way of the Far East, where he spent several weeks in studying the situation in North China and Manchukuo, prior to proceeding to Moscow by way of the Trans-Siberian Railway. Mr. Steinhardt is a combination of lawyer-economist-diplomat. He was born in New York City, Oct. 6, 1892 and received the M. A. and LL. B. degrees from Columbia University. After working as an accountant, he joined the firm of Guggenheimer, Untermyer and Marshall, until his appointment as Ambassador to Sweden in 1933...He was then transferred to Peru and after two years there was appointed Ambassador to the Soviet Union. He served with the 60th Field Artillery in the World War, participated in the Pan-American Conference at Lima. Among his notable legal assignments was Counsel to Waslaw Nijinsky and Archduchess Marie Theresa in the recovery of the Napoleon necklace. He is the author of numerous books dealing with medical jurisprudence, trade unions, economics and finance. He served as a member of the executive finance committee of the Democratic National Committee in the pre-convention campaign in 1933.

China's comment on the drama now being enacted in Moscow, with Japan—and the Nazis pressing the Soviets to join with them in threatening China with partition unless she makes peace with Japan has been of special significance. The newspaper *Chen Yieh Pao* said that the authorities of the Soviet Union regarded Japan's dispatch of Lieut.-General Tatekawa to Moscow as an "ordinary" exchange of diplomatic representatives, despite the fact that Japan's action indicated that the Nipponese had surrendered their anti-Soviet front." Therefore the *Tass* news agency's denial of the report that Tatekawa was scheduled to see Stalin last Saturday "was a serious blow to the international position of Japan." Since Japan's negotiations in the Netherlands Indies had been unsuccessful, the failure of Gen. Tatekawa's negotiations in Moscow, "would place Japan in a more difficult position than ever before," stated the paper.

The *Kuomin* news agency, in a further summary of Chinese press opinion said that the most that Japan could gain from the USSR was a Soviet-Japanese non-aggression pact, but the benefits which Japan could derive from such a pact and the price she would have to pay for it, "were still unknown quantities." The *Kuomin* report said that Japan was relying on Germany's assistance in bringing about a Soviet-Japanese rapprochement, but recent Nazi moves in the Balkans had produced an unfavorable impression on the USSR. Consequently, Japan's task of winning Soviet friendship had been rendered more hopeless, said the report. Quoting further comment in the newspaper, *Chen Yieh Pao*, the *Kuomin* translation stated that America and Britain were making strong bids for Soviet cooperation. America had sanctioned the shipment of machine tools and oil to Russia and Britain was prepared to recognize the incorporation of Estonia, Latvia and Lithuania into the Soviet Union. The Japanese, however, were niggardly in their concessions to the USSR and little economic cooperation was possible between the two countries under present conditions. In conclusion the paper said that "given the necessary sincerity on both sides," the Anglo-American negotiations with the Soviet Union stand a greater chance of success than Japan's efforts to reach an understanding with the USSR.

That the Italian attack on Greece would have an inevitable bearing on Soviet policy was quickly sensed by the Chinese press. The influential *Shun Pao* (Shanghai) said that no one believed that Italy invaded Greece in order to fight Britain and the extension of the war to the Balkans showed that the appetite of the aggressor was whetted by conquest. The Italian invasion of Greece, continued the paper, would force Turkey to reveal its attitude and in view of the close relations between Turkey and the USSR, "the revelation of Turkey's attitude will also be the revelation of Russia's attitude toward the European War." The *Chung Mei Jih Pao* said that there was no hope of Soviet-Japanese rapprochement. While Japan's efforts to prevent American intervention in the Far East had failed, the Japanese still entertained hope they would be able to win the friendship and support of the USSR ....but since Japan's strength has been practically exhausted in the fruitless three years of war, it was not surprising that Moscow showed little interest in Japan's overtures for the conclusion of a non-aggression pact.

The *Chen Yieh Pao*, in a further editorial on Oct. 29, asked whether Japan would be willing to offer Russia the southern part of Sakhalin, Manchukuo or Mongolia, in order to induce Russia to make a deal with Japan, following the precedent of Germany "who offered Russia half of Poland, Soviet hegemony in the Baltic, retrocession of Bessarabia and North Bukovina?" Answering its own question the Chinese paper said that Japan's hope was an idle dream and that this was proved by the recurrence of anti-Communist articles in the Japanese press and renewed clamors for the purge of "dangerous ideas."

Also of interest was a German *Transocean* dispatch from New York (Oct. 26) stating that the arch Republican New York *Herald-Tribune* had created a sensation by advocating that the U. S. Government should "win over the Soviet Union to an Anglo-Saxon united front ....by offering Russia oil products, tool machinery and raw materials." The German news agency concluded its dispatch with the editorial comment that "it is doubtful if the Soviets could be tempted by British-American offers."

Discussion of a Soviet-Japanese deal on the basis of a division of Chinese territory or agreement on spheres of influence immediately brings into prominence the question of the future status of the Chinese Communists and the recognized National government at Chungking. It would be difficult to imagine the Chinese Communists—after the heroic fight they have made against Japanese aggression—meekly calling off the war merely because such suited the international policies of Moscow. The Japanese have been of opinion that the Soviet Union started the war against Japan by inciting the Chinese Communists to force the issue in 1937. The Japanese therefore have the idea that if Russia makes a deal with Japan, Moscow will have to take care of the Chinese reds and probably will order them to establish soviets in Sinkiang, Tsinghai, Kansu and Shensi, "thereby making the Soviet sphere an actuality." Influential Japanese have expressed the opinion that the conclusion of a Soviet-Japanese pact will cause a split between Kuomintang and Communists at Chungking, with Gen. Chiang Kai-shek and the Kuomintang shifting to Wang Ching-wei and the Japanese at Nanking. One Japanese was quoted as saying that even if the Soviets used the Chinese Communists to create a sphere in the Northwest, Gen. Chiang Kai-shek, with Japanese assistance, could quickly drive them out. This would mark the culmination of Japanese policy—one Government in China, controlled by Japan through a military-economic understanding. What Russia would get out of such a deal was not clear, but certain Japanese were of opinion that Russia might

—in exchange for a guarantee of her Far Eastern frontiers —agree to push southward to the Persian Gulf, taking over (of course) Persia, Afghanistan and a liberal slice of British India in the process.

This apparently, would be highly satisfactory for the Japanese as it would enable them to pursue their "southward expansion" policy without fear of Russian interference with their continental empire.

Confidence in Fourth Year of War Expressed By Gen. Chiang Kai-shek

CONFIDENCE in China as she faced the fourth year of her war of resistance against Japanese aggression, and entered the 29th year of her history as a republic, was the keynote of an address made to the nation by Generalissimo Chiang Kai-shek on October 10 (the "Double Tenth") last.

The Generalissimo frankly acknowledged the difficulties ahead of China during the coming year, but urged a continuation of national unity in their struggle for freedom and independence.

Gen. Chiang Kai-shek

"The celebration of the 29th anniversary of the founding of the Chinese Republic today is of unusual significance in view of the pervading tempestuous atmosphere in East Asia and throughout the world; it is particularly significant also because we have now entered upon the fourth year of our national resistance," declared the Generalissimo.

"As we celebrate the anniversary today, we must bear in mind the ultimate aims of China's national reconstruction and be inspired, while discharging our great mission, with the spirit of the early revolutionary mrtyrs.

"Twenty-nine years ago today, under the leadership of our late Party Leader, Dr. Sun Yat-sen, the martyrs laid down their lives for the cause of the Revolution and finally succeeded in overthrowing the Manchu Dynasty and thus made it possible to establish the Republic.

"However, the Chinese Revolution in 1911 was only a transition or a starting-point from which we shall proceed to achieve the ultimate aims of the Three People's Principles and China's national independence and freedom, so as to make China strong and the Chinese people prosperous as a means of ensuring China's existence in the comity of nations.

"Only when the Chinese people have regained their place under the sun can they discharge their responsibility in administering to the welfare of humanity and serving the cause of world peace.

"Situated as she is in East Asia, China's first task should be to work for stability in East Asia as a means of ensuring world peace. In other words, our domestic policy shall be to work for the stability of East Asia as a means of achieving true and lasting world peace. This was the ideal objective of the Chinese Revolution in 1911; and the ultimate aim which Dr. Sun Yat-sen had set himself to achieve throughout his whole revolutionary struggles.

China's Sworn Enemies

"The obstacles which Japan has placed in China's path during the past 30 years have largely accounted for our failure to fulfil the bequeathed teachings of Dr. Sun Yat-sen and the early revolutionary martyrs. The causes of our failures therefore, have been mainly external. We must, then, regard the Japanese militarists as the sworn enemies of China's national economic reconstruction. The policy of aggression of the Japanese militarists is incompatible with the tenets of the Three People's Principles, because the ultimate aim of Japan's aggression is to bring about China's extinction, the enslavement of East Asia and the conquest of the whole world. Japan's first task is to conquer China, which she will use as a jumping-off ground for the conquest of the whole world, as the Japanese militarists have conceived it.

"The Tanaka Memorandum of 1927 had made this quite evident and plain. The Memorandum stated that, 'If Japan desires to conquer the world, she must first begin with the conquest of China.' It went on to state that 'What we fear most is the awakening of China and the Chinese people. China's national unity will be followed by her national industrialisation. Japan must strike now at Manchuria, and use it as a base from which to carry out operations for the seizure of China.'

"It must not, however, be thought for one moment that the Tanaka Memorandum represents only the mad dreams of one single person; it is the *alpha* and *omega* of the policy pursued by the Japanese militarists.

"Laboring under that fixed obsession, the Japanese militarists have never ceased to find one pretext or another to interfere with and to lay obstacles in the path of China's national unification and reconstruction since the conclusion of the Chinese Revolution in 1911. It is Japan who has been the wire-puller in China's internal politics, the fomentor of China's internal strifes and the responsible party in all manner of intrigues whose sole aim is to create dissension and disunity in China in the years before the Nationalist Northern Expedition in 1925. It is also Japan who has been conniving at the rampant smuggling and trafficking in opium and drugs by which she seeks to ruin the Chinese nation and the Chinese people.

"Untold Sufferings"

"Japan has come out more and more openly in seeking to frustrate the work of China's national unification and reconstruction since the conclusion of the Nationalist Northern Expedition in 1928. She invaded Manchuria after precipitating the 'Mukden Incident' in 1931. She again sought to deal a death blow to China's national reconstruction program by a general invasion of this country in 1937. She has attempted by every conceivable means ever since to bring about the ruination of China.

"Through the depredations of her militarists, the slaughtering of innocent Chinese people and through unashamed raping and other barbarous acts, Japan has brought untold sufferings to the Chinese people and has brought great havoc to this country, her sole aim to frustrate China's national reconstruction.

"The ultimate aim of our national resistance is to bring to a consummation the task that was left unfinished by the Chinese Revolution in 1911, to realize the aims of the Three People's Principles, and to wipe out China's humiliation. In order to fulfil these aims, we must safeguard China's territorial integrity and administrative independence, uphold international faith and justice, and champion the cause of world peace. No nation, it must be realized, can ever function fruitfully nor safeguard its existence unless her territorial integrity and administrtive independence is left intact and inviolable.

"Whatever the methods she may apply, Japan's policy will never deviate from her ultimate objectives of subjugating China, of achieving hegemony over East Asia and the Pacific, and finally of conquering the whole world.

"The Tanaka Memorandum"

"To revert to the Tanaka Memorandum we shall see that it openly declared, 'After the conquest of China, we can browbeat India and all other countries in Central Asia and Asia Minor, and bring these peoples into submission and thereupon achieve Japan's hegemony over them.' The Memorandum also went on to state that a war with either Soviet Russia or the United States was unavoidable, but that Japan could utilize the immense resources which

China possesses, for the conquest of India and even of the countries in Europe.

"In their hallucinations, the Japanese militarists have clamored for the establishment of the so-called 'New Order in East Asia,' which means that Japan shall become the sole overlord on the Asiatic Continent and in the entire Pacific. The enemy in his present madness will never awaken to his own peril until Death shall claim him.

"Having realized the full implications of the ultimate aims of the Japanese militarists, we shall not shirk our responsibility in being the vanguard for restoring stability in East Asia, because the fate of the whole of East Asia depends on the existence of China.

"Taking full advantage of the temporary reverses suffered by France and Great Britain in the European War, Japan has now laid her claims to the establishment of the so-called 'Greater Asia.' She is now including the South Seas Islands within the orbit of her mad scheme. As Japan has now concluded a tripartite pact with Germany and Italy, so we may expect her to take further corresponding action in the Far East to achieve her ultimate aims.

"It will make no difference to us whether Japan pursues a policy of 'northward advance' or one of 'southward advance.' The result of that policy to us shall be the same; it will be inimical to China's national interests and will be a menace to China's national existence. We must place every ounce of our energy for the purpose of self-defence, and to shatter the enemy's attempts to subjugate China, so that we may be permitted to carry forward our national reconstruction. The so-called 'New Order in East Asia,' or the 'Greater Asia,' which Japan is seeking to establish, is incompatible with the true interests of China and her national existence.

To The Bitter End"

"However great might be the difficulties which we shall be called upon to face, we shall yet struggle to the bitter end. The countries which have now recognized Japan's leadership in East Asia will one day repent of their actions. China will never recognize the validity of treaties which these countries have concluded with Japan regarding the Far East; the Chinese Government and people will treat them as no more valuable than scraps of paper. In fact, these treaties are no different from, they are no more valuable than those which have been concluded between the puppets at Nanking and their Japanese masters.

"I can positively say that so long as we continue to offer resistance, we shall be able to shatter Japan's intrigues and nullify the supposed advantages which she is seeking to obtain from the conclusion of the tripartite pact. We must also know that our continued resistance has made it impossible for Japan to overcome the grave crisis which threatens her national existence. That is why she has been compelled to sign the tripartite pact with the hope of terminating the 'China Incident' and of succeeding in subjugating China and realizing her aims in East Asia.

"Viewed from the objective standpoint, the tripartite pact has imposed a yoke upon Japan and created, rather than minimized, fresh difficulties for her. We must regard every act of invasion by the enemy in any part of East Asia as being directed against China, and consequently it must be regarded as inimical to the true interests of our country. We must hold firm to our faith and show courage in prosecuting the task of driving out the enemy and of fulfilling the task left unfinished by the revolutionary martyrs, who, during the Chinese Revolution in 1911, had tasks far more formidable to undertake, and who, struggling against great odds almost empty-handed and lacking the means, yet succeeded in bringing the Republic into existence. Commenting on that memorable event, Dr. Sun Yat-sen said, 'The battle at the Yellow Flower Hill in Canton was a battle fought by 300 revolutionaries against 30,000 enemies; the martyrs matched their crude rifles and bombs against the enemy's cannons. The Wuhan Uprising represented the grim fight of a handful of revolutionaries who matched themselves against the enemy at the ratio of one to 500. That memorable event has gone down in history as a grim and unprecedented struggle, a great revolutionary struggle that has no parallel in the annals of ancient and modern Chinese or foreign history.'

"We Must Live and Perish"

"If we would have China marching abreast with other nations, and if we would preserve the Chinese race for eternity, we must first emulate the examples of our early revolutionary martyrs; we must live and perish as those martyrs had lived and perished in the salvation of our country. Their readiness to live and die for the country was the secret formula of their success; and it was their indomitable spirit that enabled them to clear every obstacle for laying the foundation of the Republic.

"No revolutionary movement can fail that has the support of the people. The path to national salvation and national reconstruction is not strewn with roses, and no one should think for one moment that we should rely on sheer good fortune for the fulfilment of that task.

"The revolutionary struggles of other countries, of the United States, Turkey and Soviet Russia for their national freedom and independence, have furnished us with similar examples. The American and Soviet peoples and the Turks finally succeeded in realizing their ultimate aims only after grim and weary struggles. We who are now engaged in our own national struggle should emulate the examples set by those countries. We must prepare for a long war of national resistance.

"We have seen how one country, through being disorganized and dictated by greed and selfishness, has gone out of existence despite the presence of circumstances that

"South" for the Winter

Herblock in Wilmington News

favored her. We have also seen how another country has finally succeeded in pulling itself out of the crisis that threatened her, by uniting its people and by unwaveringly pursuing her final objectives.

"Has Entered a New Stage"

"Our national resistance has now entered upon a new and more difficult stage, but the circumstances under which we are struggling are more favorable than those under which our revolutionary martyrs had fought and perished in 1911; they are even more favorable than the circumstances under which the American and Soviet peoples and the Turks struggled and finally regained their national freedom and independence. The enemy against whom we are now fighting is now facing the encirclement of many countries, his strength and resources are steadily being depleted, while those countries throughout the world that uphold justice and international good faith are now placing their hopes and confidence in China. They all desire to see a free and strong China emerging in the Far East so that she shall be able to enter into peaceful economic co-operation with them and to cast her lot in the interests of world peace.

"The problem with us today is whether we have sufficient confidence in ourselves and whether we would see our country becoming strong. That depends entirely upon whether we possess or lack the spirit of struggle which our revolutionary martyrs have shown.

"I know only too well that our war of national resistance will meet with increasing difficulties, but I know too that we shall finally achieve our final victory and pave the way for carrying forward our work of national reconstruction. Dr. Sun Yat-sen pointed out that it was not possible for the few to oppress the many, as this was against the principle of justice and humanity. The attempts of the enemy to impose his will upon us, to oppress us, must inevitably meet with failure.

"The opportunistic policy which the enemy has adopted will create fresh and greater risks for him; his failures accordingly, shall become correspondingly greater.

"I pointed out on a previous occasion that however much the international situation might change, it would fundamentally revert to the advantage of our national resistance. This is because we are playing an active, and not a passive role in resisting aggression. We have based our national resistance upon self-reliance and self-efforts, and we are prepared to struggle alone to fulfil our ultimate aims.

Developments Favor Cause

"Recent developments in the international situation have become more and more favorable to the cause of our national resistance, in that they tend to merge or identify with the final objectives of our national struggles. We shall continue with our struggles, however, irrespective of international developments. We have remained unshaken in our faith and confidence, and our position is becoming much stronger, while our enemy has already played his last card.

"The responsibility of saving East Asia rests on the shoulders of the Chinese people; it is also their responsibility to avert the crisis which now threatens the whole world. Nothing will do us harm, unless we slacken our efforts. Nothing shall stop us from realizing the Three People's Principles.

"I pointed out in my address on October 10, 1937, that the Sino-Japanese hostilities would not come to an end in six months or in one year. We are now entering upon the fourth year of our national resistance; we are now standing on the glorious threshold of a general world reckoning. We shall display an indomitable spirit and show even greater courage in fulfilling the bequeathed teachings of Dr. Sun Yat-sen, but we must be prepared to undergo even greater sufferings and hardships. No sufferings, however great, shall deter us from our purpose and ultimate aims.

"Through her national resistance, China has discharged her duty to the world. Every Chinese has, in turn, discharged his duty to the country by remaining at his post and by making his contributions to the country.

Call For Sacrifice

"In loyalty to our country and to the principle for which we shall live and perish, our watchword is to resist and struggle to the bitter end. We will marshal all our energy and resources to serve the country, we shall sacrifice everything that we possess, even our lives for the cause of national resistance and national reconstruction.

"We must realize that we can have no better friends nor worse enemies than in ourselves. The surest way to overcome our enemy is to hold firm to our self-confidence and to become strong through our own efforts.

"The humiliations and sufferings which have been heaped upon us today are largely the result of our own greed and selfishness, and the result of the complete abandonment and looseness which has characterized the living habits of our people.

"We are now standing on the threshold of a great turning point in our national history; our national resistance will determine the fate of all the races in East Asia. The Chinese people are now put to the crucial test, and upon their ability to overcome their present difficulties they shall be able to find new sources of strength.

"I would ask my compatriots in the battle field and in the occupied areas to continue fighting against the enemy and to refuse to work for or with the enemy or traitors. Those of my compatriots who are serving behind the battle fronts should redouble their efforts in performing their various duties and in fulfilling the bequeathed instructions of Dr. Sun Yat-sen.

Capacity Output Asked

"Every national resource must be developed to its maximum capacity; national production must be speeded up and increased and all kinds of scientific research and invention must be sponsored and encouraged so that we may consolidate a foundation on which our national economic independence will be based. Every effort will be made during the present period of national emergency

Chungking Determined to Continue War of Resistance

The Chinese "Double-Ten" holiday, anniversary of the establishment of the Republic on Oct. 10, 1911, was celebrated with unusual enthusiasm this year throughout all parts of interior China which are controlled by the National Government. These pictures, first to reach Shanghai, show (upper left) the San Min Chu-I Youth Corps applauding an address by Mayor T. C. Wu of Chungking (below). Upper right is a gigantic Chinese flag which was carried in the parade.

to develop all branches of our industries, to expand and develop our national highway and railway systems, and to introduce local and regional autonomy as well as to work for general social progress. We shall, in short, lay the foundation on which to build up the national defence system that had been outlined to us by Dr. Sun Yat-sen. Leaders in every walk of Chinese life should take upon themselves the responsibility of working for China's national recovery; they should perform their duty of guiding the destiny of East Asia and of reviving world prosperity.

"Our forefathers used to say that thirty years goes to make a generation. Nearly thirty years have passed since the Chinese Revolution in 1911, and we are still facing a grave national crisis. We not only have failed to lay the foundation for our national reconstruction, but we have now been brought face to face with an external enemy. Our failures cannot fail to humble us before our late Party Leader and the revolutionary martyrs.

"We are now presented with an opportunity to redeem our past mistakes and failures. The international situation is favoring us with an opportunity to wipe out our national humiliation, to create a new nation and to bring glory upon ourselves.

"As I reflect upon the past and think of the future, I am staggered and terrified by the immensity of the responsibility that the nation has placed upon me; but this also gives me courage in discharging that responsibility.

"It is my sincere hope that my fellow-people will continue to struggle and exert themselves to drive out the enemy, to work for the country's recovery, to accomplish the noble task of revolutionary reconstruction, and to discharge our solemn mission towards our forbears, towards East Asia and to the world," General Chiang concluded.

Japanese Strike Another Blow at Territorial Integrity Of French Indo-China

IN direct contravention of the terms of the Franco-Japanese Pact on Indo-China, of September 22, 1940, and within a month of the signature of that document, the Japanese military authorities in Hanoi last week at one and the same time struck another blow at the territorial integrity of the French Colony and flung in the face of the United States Secretary Cordell Hull's warning of September 23, noting that the *status quo* of Indo China had been upset despite U.S. "disapproval and deprecation of such procedures."

The defy direct to the United States was offered last week in the detention at Hanoi by French authorities at the "request" of the Japanese military in occupation of the port of US$10,000,000 worth of American property, formerly intended for transport through Indo-China to Chungking. Reshipment of the American goods, some of which were believed to include war materials, was decided on following the Japanese landing at Hanoi and subsequent closure of the Indo-China route to free China, but as a result of a protest from the Japanese army authorities, loading of the goods aboard the American chartered French freighter Sikiang was stopped without explanation by the French authorities at Hanoi.

Subsequent investigations by the agents of the owners of the U.S. materials revealed that reshipment permits were being held up as the result of a demand by the Japanese that the goods "be examined," and the agents were warned that it might become necessary to unload the 8,000 tons of cargo already put aboard the Sikiang.

While Japanese and French authorities at Hanoi "conferred" regarding the US$10,000,000 worth of American property waiting reshipment, action was taken against another American flag vessel, the Panama registered steamer Tupper, to prevent her loading of cargo, and once again it was learned that the French had acted on Japanese instructions. Later a Japanese inspector was placed aboard both vessels for the purpose of "supervision" pending the conclusion of the discussions between the parties concerned.

Aviation Gasoline Held Up

According to messages from Hanoi, the Sikiang's cargo included "everything from hypodermics to locomotives," but among the American goods still awaiting

The above map from Time shows where the Japanese met the only resistance to their "peaceful" penetration of French Indo China under the agreement of the Franco-Japanese Pact of September 23, 1940. It also reveals that by occupation of French Indo-China, Japan has secured a strategic position flanking Singapore. Propagandist penetration of Thailand already accomplished, that Japanese have by the landing at Hanoi (linked by rail with Saigon) secured Singapore's western flank.

reshipment was known to be a quantity of aviation gasoline, upon which, it was freely believed, the Japanese military were casting cavetous eyes as the result of an abrupt rationing of their supplies following the imposition of the U.S. embargo.

Leading to the tieup of Ameriacn shipping and cargo at Hanoi, a protest was filed with Vice-Admiral Jean Decoux, then Governor-General of French Indo-China, by Major-General Raishiro Sumita, chairman of the Japanese Supervisory Commission to French Indo-China, against the re-export of the goods on the grounds that they were bound for Chungking. Vice-Admiral Decoux promised an immediate investigation, and two days later issued an order witholding sailing permits for the two vessels.

According to the terms of the Frenco-Japanese Pact signed last month, military facilities were granted Japan "in exchange," the Indo-China Government proclaimed, "for Japanese guarantees to respect the territorial integrity and French sovereignty of the Colony." Further emphasizing Japan's renunciation of all claims to interference with Indo-China's domestic business, politics, economy, Admiral Jean Decoux announced at the conclusion of the Pact that the agreement represented "one of the greatest marks of confidence one country can give another." General Maurice Martin, commanding the Indo-China army, said it was "the first manifestation of a durable friendship between France and Japan." The confidence of both the Governor-General and the military commander must have been rudely shattered by the events of the past week, but the strong suspicion implied by Secretary Hull's warning that Japan would refuse to respect Indo-China's integrity was more than justified.

Moving swiftly while the Indo-Chinese government anxiously awaited the outcome of the Vichy-Berlin talks, the Japanese applied once again the well-known Axis technique of progressive attack from within. Having established their three air bases under the terms of the Pact, and having landed a "limited number of troops' at Haiphong, one of the first acts of the Japanese military was the establishment of the notorious Supervisory Committee, nominally set up for the purpose of controlling Japanese military affairs in Indo-China, but now unmasked as the directors of Indo-China foreign and domestic policy.

First Open Interference

The detention of the American property at Hanoi is the first instance of open interference with foreign goods by the Indo-China authorities at the instigation of the Japanese Supervisory Committee, but it was generally believed in trading circles in Shanghai this week that it would not be the last, and that having tasted power, the Japanese would make every effort to extend their influence. A successful conclusion of the Sino-Japanese war, it was pointed out, is still Japan's main concern, but in view of her announced southward expansion policy, it would be remarkable if Tokyo did not attempt to consolidate Japan's position in Indo-China with a view to using the French Colony as a spearhead for her hopes.

Further evidence of Japanese activities in French Indo-China domestic affairs through the medium of the Tokyo propaganda machine was forthcoming this week when it was reported that French residents at Hanoi were criticizing Britain for "encouraging" Thai demands on the Colony, although in Thailand itself last week, the French authorities themselves were compelled to deny a report released by the official Japanese news agency there that there had been a revolt of native troops in Indo-China and that a French officer attempted to shoot Admiral Jean Decoux. The report of the attempted assassination of Admiral Decoux was also circulated in Shanghai by the *Domei News Agency* despite persistent lack of confirmation among other news agencies.

Japanese propagandist efforts in Thai and Indo-China, according to the belief of observers in Shanghai, were being directed at keeping the two countries at loggerheads as much as possible on the theory that disunity breeds weakness. Owing to th abs nce of established news services between the two countries, it was declared, the Japanese task in this respect had been made unusually easy, while the presence of hundreds of Japanese traders in both countries, most of them acting under Tokyo instructions, was also doing much to breed distrust between Indo-China and Thai.

Meanwhile Japanese camp-followers last week were reported to be headed for Indo-China in such numbers following the announcement on Sunday that the French Colony had been granted full customs autonomy by Vichy, that the Japanese authorities themselves were compelled to take prohibitive action and refuse sailing permits to numerous applicants. Big-time traders, however, had landed on the heels of the Japanese forces and were already entrenching themselves in preparation for the enforcement upon Indo-China of a tariff policy that, it was generally predicted, will give Japan a most-favored nation treatment.

American Pilot Killed In Nippon Attack on C.N.A.C. Passenger Plane

An American aviator in the Army Air Corps Reserve, Mr. W. C. "Foxie" Kent, a former resident of Shanghai, was killed October 29 when a C.N.A.C. airliner which he was piloting was shot down by gunfire from five Japanese warplanes near Kunming, in Yunnan Province.

Eight others aboard the plane, believed to be Chinese passengers, were also killed in the crash following the Japanese attack.

Mr. Kent was a popular member of the American community in Shanghai, having married a Shanghai American girl, Marie Brown, the daughter of Mr. T. B. "Buster" Brown, well - known Shanghai American resident.

Mr. Kent joined the C.N.A.C. in Shanghai in May, 1937, leaving the aviation service in August of the same year and joining the Bill Hunt interests. He rejoined the C.N.A.C. on November 1, 1939.

Mr. Kent, who was born in Kentwood, Louisiana, was educated in the University of Sewanee, Tenn., whence he graduated with a B.A. degree.

He obtained his pilot's training with the United States Army at Brooks and Kelly Fields.

Mrs. Kent and her three-year-old son, Peter, at the time of the plane attack, were at Hongkong. They were to have departed for the United States by clipper plane a few days ago, but the plane was delayed. They are now set to depart November 1, but Mrs. Kent is expected to postpone her departure in view of her husband's tragic death.

The three-year-old son, Peter, made headlines in 1937 when he was evacuated from Shanghai to Manila in an incubator aboard the President Jefferson following the outbreak of Sino-Japanese hostilities.

He was only a few days old at that time and was in delicate health, thus necessitating traveling in an incubator.

The plane was shot down while en route to Kunming from Chungking. Mr. Kent apparently attempted to land the craft on an emergency landing field near the Yunnan capital.

As soon as the C.N.A.C. received news of the disaster, it rushed three trucks with doctors to Changyi, 120 kilometers northeast of Kinming.

The wounded and dead were taken to Jutsing, 30 kilometers south of Changyi.

Rival Nanking Groups Battle for Control of Shanghai's Revenues

THE murder and burial of "Mayor" Fu Siao-en, late head of Shanghai Special Municipality, has served to focus attention on the desperate political rivalries of Central China.

The murder of Fu Siao-en was a knockout blow for the old Nanking pre-Wang group—the group which had the confidence of the local Japanese. The Wang Ching-wei regime may now extend its power more completely over Shanghai, providing the Japanese will consent for them to do so. The pre-Wang group will have to submit to Nanking or get out.

There was undoubted significance in the fact that Mayor Fu had been invited to visit Japan—along with Wang I-tang of the North China Political Affairs Commission—for the purpose of participating in the celebration of the 2600th anniversary of the Empire. But little was heard about any of the Wang crowd having been invited. Also, there was further significance in the statement of Spokesman Suma of the Tokyo Foreign Office on Monday of this week that the extended negotiations between General Abe and Wang Ching-wei have only produced an "unsigned draft treaty." Also there was significance in the fact that Tokyo has admitted its readiness to negotiate directly with Chungking.

Perhaps the secret concerning the real instigator of the murder of Mayor Fu Siao-en will be disclosed sooner than expected.

But though one group has been dealt a death blow, political dissension in Central China will not lessen, but increase, as the two rival cliques under Wang oppose one another and wrangle with the Nipponese for increased power. Today we see these two Wang cliques each fighting for the post of Mayor, with Chen Kung-po, as head of one clique, grasping for the Mayoralty, and Chou Fou-hai, as head of another clique, battling for the same post. Weeks have passed, and who will get it is still undecided, with rumors having it that first the one, and then the other, will succeed.

Fu's underling, Soo Hsi-Wen, backed by some junior Japanese officers, likewise has been a competitor. But, lacking as he is in prestige, and allegedly being a Formosan, he doubtlessly will be given a post in Nanking.

The Mayoralty post always has been one of the most coveted in China, for who controls it dominates the banking, finance, and wealth of this great city. To none is it more desirable than the Nanking group which has been sorely pressed for money, and previously was shut off from the coffers of the Shanghai Special Municipality. To control Shanghai is to actually have an influence far exceeding that of most mayors; it means control of a not inconsiderable part of China's wealth.

While normal taxable resources have been impaired by the Japanese military occupation and the racketeering which has accompanied the Japanese occupation, the Wang crowd has managed to recoup somewhat by promoting the gambling and opium-heroin traffic. This was another source of animosity between the Wang gangsters whose hang-out is at No. 76 Jessfield Road and Mayor Fu Siao-en, as the Wang crowd, with certain Japanese help, had managed to squeeze Mayor Fu out of the vice revenues in the "Badlands" area. When the gambling houses were scattered all over the badlands, Mayor Fu's tax collectors managed to get a share of the rake-off, but after the Wang crowd forced the gambling and opium-smoking houses to combine in the "Six Nation" resort on Ave. Haig, this put an end to Mayor Fu's participation. As the situation stands today the Wang regime collects all the gambling-opium taxes from the China Club and Farrens, Ltd. on Great Western Road and from the Six-Nation House on Avenue Haig, and the dozen-and-more houses recently opened in the Nantao section of the city.

Duyy in The Baltimore Sun

With such a rich post at stake, the rivalries between the two Wang cliques—Wang's "Inner" Clique and Wang's "Outer" Clique—has become intense. At present both groups range themselves under Wang, as he still has some prestige and influence.

Wang's Inner Clique is headed by Chen Kung-po, President of the Legislative Yuan, and perhaps the most able, though not the most adroit man in the regime, who followed Wang here rather reluctantly, because he was more or less compelled to. His great handicap was that none of his followers came here with him.

Also in this faction may be grouped Wang's disciples—men who would follow Wang even if he became a Hindu Fakir or a Billy Sunday. This is because most are not outstanding in ability. It is admitted that some are sincerely devoted to Wang. Among his followers are, for example, Chu Min-yi (Wang's brother-in-law), Mei Ssu-ping, Tang Ching-po, Lin Po-hsun, Li Shen-wu and others such as the Indies-born Tang Leang-li (under Lin). They are mainly men who have been with Wang for years. Mei alone is a late-comer.

Chen Kung-po

Chen Kung-po, as Wang's right-hand man for years past, stands apart from these disciples. This group is not as disliked by the ordinary Chinese as the other clique. What characterizes it as a whole is that it is without guns, and that it has not attracted as many recruits as the rival clique.

Wang's Outer Clique, headed by Chou Fu-hai, Minister of Finance, includes new Wang men, and it is the more powerful, triumphant, and the most feared group. It is the party with the guns, and the party getting the recruits. It, led by Chou, has practically "defeated" Chen, and is now the all-powerful clique in Nanking.

If Chen should succeed in becoming Mayor, it can be taken as a certainty that he will have to put Chou men in control and get all the rich revenues the office affords.

Nevertheless, Chen has been able to deal some blows to Chou and his successful obstruction has, among other things, prevented Chou's creation of a pseudo Central Bank so far.

Chou is crafty, and ambitious. He left Chungking purely because he wanted more power. He brought his henchmen, Ting Mo-tsun and Li Ssu-chuen with him. Today Chou works with Wang because Wang has prestige which Chou sorely lacks, but this does not prevent him from envying Wang, and if it would ever be possible for him—later on—to usurp Wang's position he probably would not hesitate. Today, however, he contents himself with secretly considering Wang his equal. Outwardly, he pays respect to Wang, because he knows Wang can help him. Between Chou's group and Wang's Inner Clique there is violent distrust.

Under him, Chou has two of the most feared men in Central China today, and for good reason. As heads of No. 76 Jessfield H. Q. Ting Mo-tsun, Minister of Social Welfare, and Li Ssu-ch'uen, Head of Police, are responsible for activities which are only known in the inner circles of the Settlement and French Concession Police Departments. Their activities extend throughout Central China and the Shanghai region.

It is obvious that Wang Ching-wei is not overly enthusiastic over the reign of terror and mass killings perpetrated by his henchmen at Shanghai, yet he countenances them. One of his gangsters is said to have a monthly income of more than $300,000. Aside from the killings these gentry also operate the kidnapping racket. Never has Shanghai passed through such vicissitudes as these men have brought to this city.

The authorities of the International Settlement are fully aware of the fact that activities of a most dangerous nature are taking place on the borders of the foreign-administered area. For example gangsters and loafers and disgruntled members of the police departments in the Settlement and Concession are being recruited and trained on the premises of the old Hollywood Garden gambling house on Yu Yuen Road for desperate work in the not-too-distant future. This training is said to be under the direct supervision of Ting Mo-tsun, Minister of Social Affairs and Li Ssu-ch'uen, head of Wang's police department. Rumor has it that the Japanese Special Service Section may use this new Chinese force in attempting the seizure of the Settlement and French Concession. It was rumored that Wang Ching-wei wanted to take the French Concession over two months ago. But at that time, Fu's police chief, Lu Ying, also coveted the highest Concession post, so to prevent further rivalry the Japanese decided not to take over the Concession at the moment —a thing which they consider easy to do at any time—but to wait the outcome of the American-Japan tangle, so they might grab the Settlement at the same time.

So it is that Fu's death paved the way for the "big entry" of Nanking into Shanghai. From now on Shanghai will have a close—perhaps too close view of the Central China battle for power as Chen and Chou grapple with each other and the Japanese. Fu's death may thus have serious consequences for Shanghai.

Mayor Fu, who was only concerned with the acquisition of money, as was his whole group, played his best hand and lost. Hated by Nanking, and hating Nanking himself, disliked by Chungking, and disliking Chiang, Fu was alone backed by local Japanese officers, but it wasn't enough. He knew his danger and would have resigned if the Japanese had not pressed him to remain.

No capable men remain in Fu's group—once the old North China government party—who could replace, or would replace Fu. The Japanese have therefore had to allow Wang's men to battle over the post).

CONSCRIPTION DRAFT LOTTERY DRAWN

With the words "only the strong may continue to live in freedom and peace," President F. D. Roosevelt opened the ceremony in Washington on October 29 for the choosing of draftees in the United States Army.

Two Chinese-American citizens were among the 100,000 youths to hold the first number, 158, picked through the "recruiting lottery." They were Yuen Chong-chan of New York City and Eng Shang-hon, of Chicago whose wife dnd 6-year-old twins are residing at the present in Hongkong.

President Roosevelt opened Wednesday's ceremony with a brief speech in which he warned that "only the strong may continue to live in freedom and peace." Addressing the gathering of dignitaries assembled for the drawing of numerals, the President said: "We are mustering all our resources of manhood, industry and wealth to make the nation strong in defense."

"We are well aware," said President Roosevelt in his address, "of the circumstances—tragic circumstances in lands across the seas—which forced upon our nation the need to take measures for total defense. In the considered opinion of the Congress of the United States, this selective service plan provides the most democratic as well as the most efficient means of mustering our man power."

The President told potential draftees that the Government was aware of the necessity to return them to civilian life at the end of their twelve-month training period, "strong, healthy, self-respecting, decent and free."

The President reminded the men who have registered throughout the country that only about five per cent. of their number actually would be mustered into service, while at least 95 per cent. would remain free to pursue their present occupations.

President Roosevelt read and expressed his appreciation of a number of messages from leaders of the Protestant, Roman Catholic and Jewish faiths, in which whole-hearted support of the conscription program was expressed.

Militant Kwangsi Leads China in Reconstruction and Progress Towards Nationalization of Masses

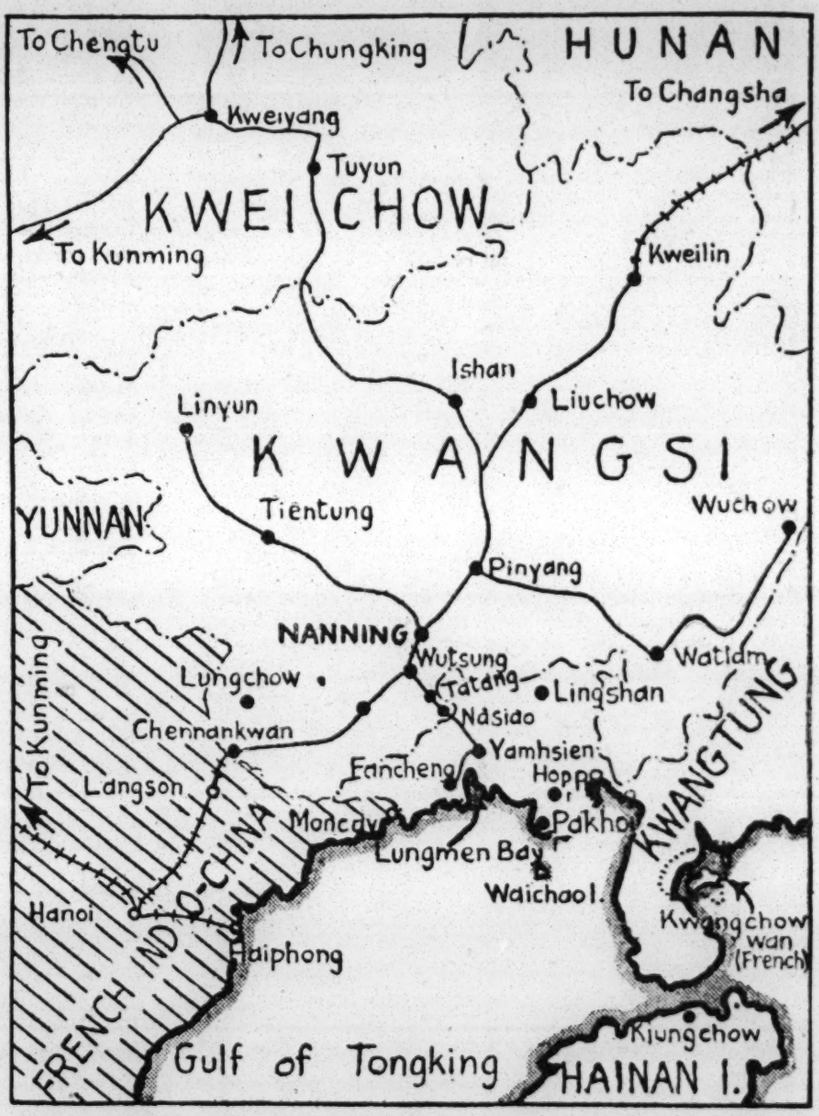
BY C. Y. W. MENG

KWANGSI is often held up in China today as a national model in reconstructive effort, mass nationalism and military and political consciousness. And with excellent reason, for the foundations of the movements which today sweep across China's southernmost, 218,923 square kilometers province, were laid down when the first shot was fired on the city of Mukden in September 18, 1931. Whether her provincial leaders were blessed or not with unusual prescience then and throughout the years which followed that fatal night in far away Mukden, they lost no time in drawing up and proceeding to enforce a policy "to resist Japanese aggression and save the nation by first reconstructing Kwangsi province"; or, in short, they set about adapting to the needs of the day their economy, industry and culture—a policy which is now being put to actual test by the invaders.

The original policy, of course, has been modified from time to time according to changing conditions, but in the main, the lead taken by Kwangsi nine years ago in reconstructive effort has been maintained with admirable consistency. The program being followed today is a revision of the original, and was drawn up in 1935 under the title of "Program for the Reconstruction of Kwangsi Province."

Although the program was only an ordinary industrial plan, yet in Kwangsi, it assumed almost the character of a supreme law of a "Provincial Constitution" and produced a strong binding influence between governor and governed. The objects of this program are "Four Phase Reconstruction"—political, economic, cultural, and military; and "Three-Self Policy"—self-government, self-defence and self-sufficiency."

A brief study of the aims of Kwangsi's program reveals that the plan has brought about many innovations from being pioneer in character.



After nearly a year of continual fighting, Kwangsi's famed fighting troops last week wrenched from the Japanese the city of Nanning, former capital of the province. Relentlessly pounding at the gates of the heavily fortified stronghold, month after month, Chinese troops virtually blasted their way into the city. Every able-bodied male above 18 is a soldier in Kwangsi, under the provincial reorganization scheme.

Aims of Reconstruction

Political Reconstruction is aimed at the "completion of the local self-government for the realization o-f the idea of democracy" (advocated by Dr. Sun Yat-sen). Economic Reconstruction is aimed at the attainment of self-sufficiency, so as "to raise the standard of living of the masses in order to realize the Principle of Livelihood." Cultural Reconstruction is aimed at the generalization of education. A close study of the various detailed provisions attached to this "Four-Phase Reconstruction Plan" shows that one of the most important features is its practibility of being put in force not only by words but by deeds.

Kwangsi also leads all other provinces in having a new political machine In Kwangsi, the *tsuen* consists of ten *chia*. Every *chia* includes ten families and so every *tsuen* has one hundred families. On top of the *tsuen* is the *hsiang*, a conglomeration of ten *tsuen*, and every *hsien* has under its rule a number of *hsiang*. The *hsien* is the administrative unit, standing midway between the Provincial Government and the *tsuen*, or hamlet.

The *tsuen* is governed by two political organs: the *tsuen* Public Office and the *tsuen* Council, which meets once a month. The Public Office is a permanent administrative organ headed by the *tsuen* Chief (very much like the sheriff in England), who is assisted by associate and a number of teachers and *sub-tsuen* chiefs.

Such Political system has its merits. First, the representatives to the *tsuen* Council generally possess good knowledge of the affairs in the *tsuen*, and are in a position to apply their experience. Secondly, self-interest engenders spontaneity, and spontaneity makes for public enthusiasm; efficiency is the result. Thirdly, as the Council meets once a month, a sense of constancy and progress is bound to grow in the minds of all the people in the *tsuen*.

Educational Program

In every *tsuen*, besides the Public Office, there is always one elementary school for children and one clinic station to offer free medical aid to the people. The former is specially responsible for the drastic elimination of Kwangsi's civilian illiteracy and today even villagers can read and write simple characters and read and understand public announcements on bulletin boards and wall posters.

The Battle of Taierchuang will forever remain in the memory of the nation as a monument to the bravery of the Sparten youth of the Kwangsi boys. Kwangsi deserves to be called "A Province of Soldiers," and the Kwangsi natives "Provincials of Blood and Iron." For her military strength credit must go to the *mintuan* system, or militia, which has been in force since the Japanese invasion of Mukden.

The highest organ in charge of the militia in Kwangsi is the Kwangsi Pacification Headquarters, under which the whole province is divided into twelve *Districts*, to each of which there is one Director-General and one or more Deputy Director-Generals of the militia. Under each District, there is the *hsien* militia, to which the magistrate is concurrently the commander of the forces. Under the *hsien*, there is the *chu* militia, of which the local chieftain is the commander. Under the *chu*, then comes the *hsiang* militia and *tsuen* militia, of which local elders who can command the respect of the local people are generally the commanders. The pyramid system as well as the principle of multiformity is used in the Kwangsi militia organization.

All Males In Militia

All males in Kwangsi from 18 to 45 years of age are members of the militia, the list of which is revised in every year in order to admit all youths coming of military age and to eliminate those who pass the age of 45. The militia receive military training similar to that of the army. All members come from their homes and shops to the drill ground and drill and learn necessary military tactics for about two hours each day, after which they return to their daily pursuits. Thus, the daily life of the members of the military corps is divided into two parts, the greater part being devoted to private occupations and the smaller to preparation for military service for the cause of the Nation. Experience has proved that the latter does not interfere with the former to any serious extent.

The strength of the Kwangsi militia can best be understood by studying the militia organisations. The latest statistics, so far available, show that Kwangsi has 39 *chu* militia organisations, 2,300 *hsiang* militia organisations, and 23,000 *tsuen* or 39 joint-brigades, 2,300 brigades and 23,900 reserve units, making a total of about two million men under full military training.

After a short period of preliminary training (about 180 hours), all of them have to undergo another four-month period of rigid military training like the regular armies. After which, they remain at all times at the standby for any emergency call.

Student Army Scheme

Besidts the militia, the organisation of the "Student Army," which makes up part of China's "Revitalized Army" and which takes part in many battles with the invader, is another innovation of which Kwangsi can well be proud. It is said that no fewer than 4,000 Kwangsi students (boys and girls) are organized as the "Student Army." Like their fellow—youths who won world fame in the Battle of Taierchuang, many of the Kwangsi Student Armies have also distinguished themselves by their bravery in battles in northern Hupeh.

With the organisation of the militia, the mass movement went into full swing in Kwangsi, According to statistics up to September 30, 1938, no fewer than 1,587,510 people or about one-tenth of the Kwangsi population (12,861,850) were already being mobilized to take part in war activities against Japan.

As for agricultural development, various plans of innovations were provided by the program of the reconstruction of Kwangsi Province, all seeking the best way to facilitate rural reconstruction. Kwangsi's recent policy in agriculture has been stressing the development of a province-wide irrigation system. Coupled with the irrigation development, Kwangsi has been experimenting with a number of agricultural products to improve quality and to increase production. The annual production of wheat in 1938 was said to have been increased by 500,000 tan, coton by 10,000 *tan*, over the preceding year's crops. Kwangsi's soil and climate being suited for *tung* trees, as a result of official encouragement farmers have planted 85,269,746 trees. Provincial farms have also grown 343,424 *tung* trees.

Besides agriculture, Kwangsi's development in industry, mining, communications and the export trade are remarkable depite the fact that there is still an intensive fighting waging in Kwangsi. A large alcohol plant, paper factories and a number of other industrial plants, among them the most important being a cement factory, tobacco factory and a glass factory, have either been established or are near completion.

Industrial Development

Mining activities in the province are also being accelerated following the establishment last year of a $5,000,000 mining administration—a joint central government and provincial government enterprise. The production of antimony, tungsten and tin are now in full swing.

Kwangsi's trade with the outside world is, controlled by the Trade Bureau, established in 1935. This Bureau has been responsible for the reduction of the province's unfavorable trade balance from more than $10,000,000, to $2,012,682 in 1937.

Every visitor to from Kwangsi is strongly impressed by the wonderful progress which Kwangsi has made during the past few years. "....I can even operate a machine gun....I am always ready to answer the emergency call...." These were the answers given to the writer of this article when he had a talk with one coffin-carrier in Kweilin about their military training. Kwangsi now stands as a convincing symbol of New China.

U.S. Tied To Shanghai By Vital Interests

BY JOHN AHLERS

AT the present moment, the evacuation from China is pending of American women and children only. Possibly their men may never have to leave, and the evacuees may return here after some time to find their menfolk safe and sound, doing business as usual. Possibly an emergency may arise in which American business men themselves will have to evacuate, too. But there should be no illusion that, in that case, they will be leaving permanently. If ever they have to depart, the United States will call Japan to account, and the outcome cannot be doubted. American Shanghai business would be compelled to cease temporarily, but later to stage a powerful comeback.

The United States, unable to secure British cooperation in opposing Japan in 1931-32, tacitly acquiesced in the enforcement of Japan's New Order in Manchuria. American interests in North China, too, during the present Sino-Japanese war submitted to the Japanese New Order there—although only under protest and with full reservation of all American rights. The Japanese, however, would be erring greatly if they thought that they could enforce with equal impunity their New Order on American business in Shanghai. By now it must have become obvious to Tokyo that the United States considers Shanghai the northernmost business center of that southern portion of the Far East where American business interests are so substantial that on no conditions would Washington allow them to be victimized by the New Order policy.

Of the various branches of American Far Eastern trade, commercial intercourse between the United States and the Netherlands as well as British colonies in South East Asia is by far the most important. The turnover of goods between American ports and the Sunda Straits region far surpasses that between the United States and Japan as well as China. From the Netherlands Indies Review, Oct. 26, 1940 and British Malaya primarily, the United States secures raw materials of vital importance to powerful American industries, such as rubber and

tin. Washington cannot permit any power suspect of any unfriendly designs against U.S.A. to acquire a paramount position in those European colonies, or to interfere there with American trade. Recent American concern for Britain's Singapore naval base has a profound basis in American economic interests of premier magnitude. These economic interests also have an important bearing upon U.S. national defense. The new U.S. defense program calls for orders of rubber products for military and naval purposes to the extent of almost U.S.$100,000,000. relying for the manufacture of these articles on natural rubber almost exclusively.

Trade Ratios Changing

American trade with Japan, China and the Philippines ranks only second to that with the colonial countries further South. In this group, Japan still turns over the comparatively largest volume and value of trade with U.S.A., but she no longer dominate. China and the Philippines together buy from as well as sell more to the United States than does Japan. Moreover, the general trend of trade goes against Japan. United States' trade with Japan earlier this year was stationary and in later months suffered a decrease, while American business in and with other Far Eastern countries experienced sharp increases. American exports to Japan in the first eight months of the current year as compared with the past year's corresponding period increased in value by less than 10 percent, with all of this increase resulting from price increases only. On the other hand, exports of American goods to China and the Netherlands Indies during the same period soared by almost 80 percent. Exports from China to the United States almost trebled, and U.S. exports to the Netherlands Indies more than doubled.

These recent trend in American Far Eastern trade are closely related to the political state of affairs. This trade sharply increased in countries or parts of countries outside the Japanese sphere of power. It decreased and tends to decrease further wherever the Japanese enforce their economic New Order. The U.S. State Department many times warned American business that the big commercial turnover with Japan of a few year ago was temporary, irresponsive, and bound to shrink. This is exactly what has come to pass. American trade with Japan before the Sino-Japanese war was three to four times larger than U.S.-China trade . In the first two years of that war, trade with Japan increased to between five and six times the value of American-Chinese trade. But this year to date Japanese imports from U.S.A. have not been even twice as large as China's American trade has been reduced to insignificance in Manchuria, where the Japanese now account for 90 percent of all foreign trade transactions. It has practically disappeared in the Japanese colonies of Korea, Formosa, and the Kwantung Leased Territory.

Example of China Trade

China gives an excellent example of the fate suffered by American trade in East Asiatic territories where it is victimized by the Japanese "New Order" or military onslaught, as compared with others. In North China, the Japanese discriminate against imports of American goods, and interfere with exports to the United States. Most of the routes leading to Free China are occupied, blockaded or otherwise barred by the invaders, who have even gone so far as to confiscate American goods, destined for Free China, in neutral territory such as French Indo-China. In Shanghai only, American goods still can enter China without Japanese interference, and Chinese goods may leave for America without major obstacles. The result is that during the first three-quarters of this year Shanghai alone a counted for 70 per cent of China's imports from, and for 80 per cent of Chinese exports to the United States, if the Chinese Maritime Customs trade returns be taken at face value. If readjusted in view of the threefold over-valuation of foreign trade figures in Japanese-controlled North China, Shanghai's share in the United States, China trade should be increased to almost 90 per cent.

In "New Order" North China, Japan accounts for 75 per cent of all the imports while, as a result of Japanese-managed anti-American trade and exchange regulation, the American import share has been reduced to less than 10 per cent. Shanghai, however, still is a free competitive market, which indicates what would be the distribution of trade in Japanese-occupied China if the latter were free from the "New Order" racket. In Shanghai, goods manufactured or produced in Japan proper this year account for but nine percent of all imports while American goods account for 35 per cent. Thus while the Japanese in North China curtailed American trade to a mere eighth of their own trade, American trade in Shanghai without artificial support goes four times stronger than Japanese commerce.

They are no longer primarily agricultural products such as cotton, wheat and tobacco which form the major portion of Shanghai imports from the United States. The bulk of these imports today consists of industrial products and, in a great many of these, U.S. manufactures secured the lead in the Shanghai market, especially since the outbreak of the European war. America in August this year held the following remarkable share in total imports into Shanghai: metals—95 per cent; paper and paperware—77 per cent. vehicles—65 per cent; chemicals—40 per cent; hides, leather—40 per cent; dyes—35 per cent; miscellaneous metalware—30 per cent. In numerous instances, recent American import gains in Shanghai made more than good trade losses suffered at Japanese hands in other parts of China.

In these circumstances, it cannot surprise even the Japanese that the United States is unwilling to let its Shanghai business be reduced to insignificance or destroyed by any "New Order" *a la Japonaise*. If the Japanese completely controlled Shanghai, soon it would be they who would hold here, just as in North China, three-quarters of the total foreign trade, while American trade would be depressed to but a minor fraction of Japanese trade. With Shanghai would go most of America's China business. Not only is America's China trade concentrated on the shores of the Whangpoo River, but so are American industrial and other investments. American insurance firms underwrite 60 percent of Shanghai marine insurance, and have a prominent share in all other branches of Shanghai insurance business. American banks finance one-third of all Shanghai foreign trade transactions. The Shanghai Power and Telephone Companies, the two biggest public utility enterprises in all of China, are Federal Incorporated U.S.A. More than half of the American China firms have their head offices at Shanghai.

Japanese propaganda throughout the last decade tried to persuade the United States as a whole, as well as American business men individually, not to oppose, but on the contrary to cooperate with, Japanese expansion on the ground that it would result in the development of huge economic resources in the Far East, and that American business would reap great profits from participation in such development activity. The facts clearly refute that propaganda. Far from deriving additional business advantages from Japanese expansion, American business activities have been curtailed or suppressed in every part of China where the Rising Sun flag has been hoisted. The truth is that Japanese continental expansion has proved a deadly enemy of American Far Eastern business which flourishes only when out of reach of Japan's mailed fist.

Japanese Army Court May Hear Widler Case

Japanese authorities concerned over the removal of $2,000,000 worth of copper from the Commercial Express and Storage Company godown are seeking to bring the case before the Japanese Military Court, it was revealed late this week.

If the case was brought before such a body, Mr. Elly Widler, wanted by the S.M.P. authorities in connection with the theft, would attempt to prove the copper was the property of the Chungking Government therefore rightfully belonged to the Japanese Government, it was believed.

Japan's Fall Peace Drive Pushed As Dissent Among Puppets Grows

SCARCELY concealed dissent among the puppets she has created notwithstanding, Japan's annual fall peace drive was being arduously pursued as the past week drew to a close. By written and spoken word Japan was attempting to put over the idea of a Tokyo dictated peace to unresponsive Chungking in a campaign climaxed Wednesday by the news returned to Shanghai that Japan "understood" France, Germany, Italy and Russia were pressing China to make peace. This classic example of Japanese propaganda was picked up by an American radio circuit from a Japanese news broadcast and flashed back to Shanghai by *United Press*.

The Japanese used their well-worn statement and denial approach, advancing and retreating first through Mr. K. Horinuchi, retiring Japanese Ambassador to the United States, who later characterized as a "terrible mistake" the interview with him quoted by the San *Francisco Chronicle*. This paper, according to *Reuter*, quoted Mr. Horinuchi on October 25 as saying that a peace agreement which lacked final official action had been reached between General Chiang Kai-shek and Wang Ching-wei.

The paper reported Mr. Horinouchi as saying he thought the terms were along the lines started by the Japanese two years ago.

Mr. Horinouchi, according to the paper, said Wang Ching-wei's regime would be recognized by Japan when the agreement was completed.

Referring to the Japanese-American situation Mr. Horinouchi, on the eve of his departure for Japan, was quoted as saying: "What is most needed is calmness, wisdom and foresight."

A Terrible Mistake

It was "a terrible mistake," and the "San Francisco Chronicle" had misunderstood him when they quoted him as saying that an agreement had been reached between Generalissimo Chiang Kai-shek and Mr. Wang Ching-wei, head of the Japanese sponsored Nanking regime in China, Horinuchi declared the next day.

The Japanese envoy said that he had been informed that an understanding or accord had been about to be completed between Japan and Mr. Wang Ching-wei.

Chinese authorities in Washington, in any case, declared that reports of Sino-Japanese peace negotiations could be dismissed as unfounded.

Increasing American aid and the re-opening of the Burma Road had given China new determination to continue the fight, they asserted.

Domei chimed in with a Hongkong message that "the Chungking regime has officially denied London reports of a Japanese offer to Chungking. No such reports were ever made in London.

Tokyo "Ready For Peace"

On October 26, while Horinuchi was denying the **"San Francisco Chronicle"** interview, Tokyo chimed in through the **"Chugai Shogyo."**

Japan was willing to accept a sincere peace offer from Chungking, provided no Third Powers intervened, the **Chugai Shogyo** said.

Acceptance of such a peace offer, the **Chugai** said, would be conditioned on a desire by China for real co-operation in establishment of a Greater East Asia.

"The peace terms must be frank and clear and no intervention by Third Powers will be tolerated," the influential commercial newspaper said.

"They must be settled by direct negotiations between Chungking and Japan," the **Chugai** said.

Chungking read these and other reports, cocked an eye toward Nanking and Tokyo, and frankly admitted puzzlement. On October 27 reports that Germany and Japan were launching a new peace "offensive" in the Far East, and of the impending return of the former German Ambassador, Dr. Trautmann, to China, caused considerable surprise in Chungking, where there was no knowledge of any peace move.

The general opinion in Chungking, said **Reuter**, was that while it was known that both Germany and Japan were anxious to arrive at a settlement of the Sino-Japanese conflict, there was absolutely no possibility that such a move would succeed, since the peace terms of Japan and China were too far apart to admit of agreement.

Complete Withdrawal

Chinese circles naturally insisted on complete withdrawal of Japanese troops from Chinese territory; this condition could not be accepted by Japan, but any condition short of complete withdrawal would not satisfy the Chinese, they said.

With indications of closer Anglo-American co-operation in the Far East, the Chinese were most optimistic at present and were determined to carry on resistance until such a time as Britain and the United States might be ready to deal with Japan.

It was believed that any German pressure on China at this time was bound to fail since it was too obvious that China at present was relying more and more on the United States and Britain for an ultimate solution of Far Eastern issues than on Germany, concluded the Reuter message.

Nanking was not the only center of opinion puzzled by the Japanese peace campaign. Shanghai searched in vain for the answer to several questions, most burning among which was the mystery of recent developments on the Chinese puppet stage.

While his name was being bandied about freely enough as a partner to Japanese inspired peace plans, Wang Ching-wei, Tokyo's stooge head of the Nanking Government, remained virtually **incommunicado**, splendidly isolated by reason of the presence around his villa in Nanking of a triple row of Japanese guards who recently replaced the Chinese gendarmerie in whose care he was previously placed. The most enterprising of Shanghai's local and foreign correspondents who sought to interview Wang sought in vain. Those who eventually managed to make contact with his menage waited three to four weeks for a reply to their requests; the reply invariably was that Wang was indisposed.

Wang I'tang In Japan

Meanwhile No. 3 of the pro-Japanese Wang triumvirate (Wang Keh-min, out of politics and glad of it, remained silent), Wang I'tang, chairman of the North China Political Affairs Commission, made no peace talk, but worked fast, and indications were that the results of his labors would not be domestic peace in puppet politics. Wang I'tang left for Japan a week ago without advance notice, was feted royally from the time of his arrival, received by Emperor Hirohito, wined and dined, and appointed Chinese guest of honor to the celebrations marking the 2600th anniversary of the foundation of the Japanese Empire.

Shanghai newsmen regarded this latter honor as the missing link in China's puppet politics. They recalled that the late Mayor Fu Siao-en was groomed for the position of puppet No. 1 in the Japanese festivities, and that on his death Tsai Pei, Mayor of the Nanking Special Municipality, and long known as an ardent supporter of Wang Ching-wei, was regarded as his most likely successor as senior guest among civic luminaries. The arrival of Wang I'tang in Japan coincided with a sudden indisposition on the part of Tsai Pei. Any announcement by the Japanese on the status of Wang I'tang, it was concluded here, would clear up a number of mysteries, including the local struggle for supremacy, the fate of Wang Ching-wei, and above all a clarification of the Japanese peace drive.

Linked with Axis

That the Japanese peace drive last week not unconnected with the Axis peace campaign in Europe was indicated both from Tokyo and London. Tokyo, inspired by the new military axis, saw only good in it, but London was suspicious. Hints, said a **Reuter** message from the British capital, that Germany's peace drive embraced the Far East found "corroboration" in indications that the former Reich envoy, Dr. von Trautmann was likely to return to Chungking. This, London pointed out to a "surprised" Chungking, would indeed be a significant move because on two critical occasions—after the fall of Shanghai, then Nanking—Japan used Trautmann, who was well-known to be pro-Chinese, as an intermediary in peace overtures to General Chiang Kai-shek.

Common ground between Hitler and Japan just now was the patent desire to liquidate the Sino-Japanese war—Germany because her Far Eastern axis partner would then have freer hands to assist a more pressing axis design, and Japan for reasons that were more obvious after over three years of costly and unsuccessful attempts to crush General Chiang Kai-shek, London observed.

Reports from Peiping, believed to be well-founded, represented the Japanese as privately making a strong bid to persuade General Chiang Kai-shek to come to terms.

Trautmann's Role

It was here, said London, that von Trautmann's role acquired significance. Whether he could crown his previous abortive efforts with success was at least conjectural. The Chinese Ambassador in London, Dr. Quo Tai-chi, had long conversations on Thursday (October 24) with Lord Halifax Foreign Secretary, then Mr. L. S. Amery Secretary of State for India Burma, with whom he discussed matters of common interest to India, Burma and China. The nature of the talks was not disclosed, but China's reaction to Japanese feelers was given by Dr. Quo Tai-chi in an interview with **Reuter.**

After recalling the Japanese peace feelers last summer, Dr. Quo said: "The only terms on which China will make peace will be complete withdrawal. She has not suffered all she has in the past three years to accept a compromise which would enable Japan to attack her again after a breathing space."

Neither Germany nor Japan replied to this sally by Dr. Quo.

"The Counter Blow"

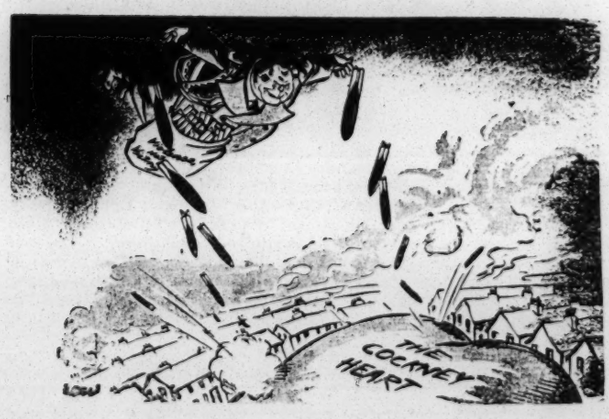
Punch

"Is this a trident which I see before me, The point toward my head?"

Will This Be The Next Push?

The Lynchburg News

Impregnable Target

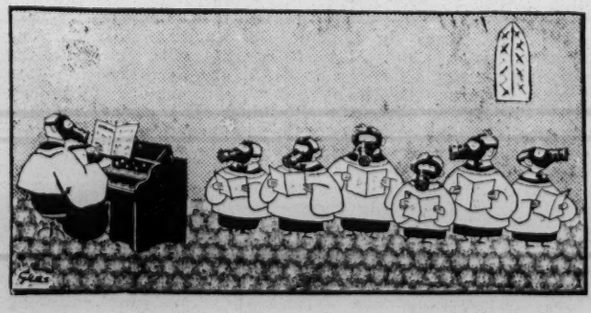


Low in New York Times

Channel Swimmers

Sunday Dispatch, London

Choir Costume



Living Age

Britain's Secret Weapon—Courage

Shoemaker in Chicago Daily News

Still Hungry

Rochester Times-Union

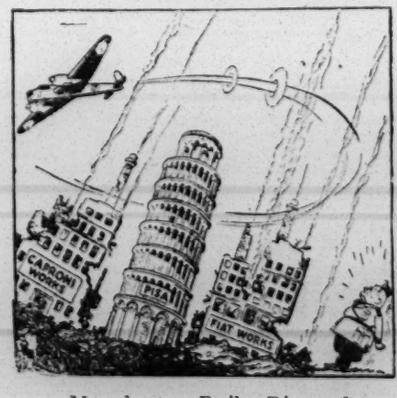
Season Opens

St. Louis Star-Times

Knows More Than The High Command

Punch cartoonist depicts the parlor strategist, who knows more about the war than the high command—and who never fails to tell us all about the situation—on all occasions.

More Leaning Towers



Manchester Daily Dispatch

Heroes Of Shanghai's "Undeclared War" Receive Honors At Inspection Parade

Shanghai's civic-minded residents yesterday took time out from business and domestic preoccupations to pay tribute to a band of heroes whose deeds have been printed day by day in the local press in the form of sometimes simple paragraphs, sometimes screaming headlines, during the past 12 months.

They turned out in force to watch the annual presentation of awards, medals and suchlike, to Shanghai's Settlement police; trophies won in a life and death struggle for the most part with those lawless elements who have their hideouts, whether political gangsters or just plain robbers, in the outside roads to which the medal winners had no access.

These men who received their simple medals yesterday were subjected to political terrorism and gangster rule as they are spoken with gunpowder, and that they never faltered in their duty redounds the more to their credit. Their names should be written deeply and gratefully in Shanghai's memory. They are the heroes of Shanghai's undeclared war on crime. They were:

C.P.S. 1895 Hung Yung Kuei:

For outstanding bravery and deovtion to duty in a shooting and bombing outrage perpetrated by a large gang of political assassins near the **Review** offices on Avenue Edward VII on the evening of July 22, 939, is awarded the Police Distinguished Conduct Medal, Class I.

C.D.C. 157 Peng Ching Sheng:

For outstanding courage, personal initiative and devotion to duty during a large scale shooting affray between Police and armed criminals on Peking Road on the evening of February 1, 1940, is awarded the Police Distinguished Conduct Medal, Class I.

D.I. R. M. Moir, D.S. D. G. Jones, D.S. C. E. A. Cooke, C.D.C. 208 Chu Wan Chun, C.P.C. 2041 Li Kung Yung:

For courage, initiative and devotion to duty displayed during a large scale shooting affray between Police and armed criminals on Peking Road on the evening of February 1, 1940 are each awarded the Police Distinguished Conduct Medal, Class II.

S.P.C. 2818 Ma Hsi Tso, C.P.C. 1580 Liu Chen Pu, C.P.C. 570 Sun I Yu:

For their participation and subsequent actions in the bombing and shooting affray near the **Review** offices on Avenue Edward VII on the evening of July 22, 1939, are each awarded the Police Distinguished Conduct Medal, Class II.

S.P.C. 459 Mala Singh:

For great bravery and devotion to duty when attacked by a gang of armed assassins at the light standard at the intersection of Edinburgh and Yu Yuen Roads on October 20, 1939, is awarded the Police Distinguished Conduct Medal, Class II.

D.S.I. J. W. Sanbrook:

For bravery and personal initiative in the arrest of a gang of armed criminals on January 9, 1940, is awarded the Police Distinguished Conduct Medal, Class II.

C.P.S. 394 Yung Te Chien:

For bravery and initiative in the apprehension of an armed criminal on Fokien Road on December 15, 1939, is awarded the Police Distinguished Conduct Medal, Class II.

C.P.C. 2926 Ku K'o Ming:

For bravery and devotion to duty in connection with the apprehension of an armed highway robber on Haiphong Road on December 15, 1939, is awarded the Police Distinguished Conduct Medal, Class II.

C.P.C. 2359 Kuo Chi Yung:

For great courage and determination shown in an encounter with an armed criminal on Avenue Edward VII on December 12, 1939, is awarded the Police Distinguished Conduct Medal, Class II.

C.P.C. 2950 Ma Cheng Yun:

For great bravery and initiative in an encounter with an armed criminal on Foochow Road on January 5, 1940, is awarded the Police Distinguished Conduct Medal, Class II.

F.R.S. R. J. Bulpin:

For great bravery, determination and initiative shown in the apprehension of an armed criminal on Changping Road on January 8, 1940, is awarded the Police Distinguished Conduct Medal, Class II.

C.P.S. 1608 Jen Chiu Hsieng, C.P.C. 3125 Huang Kan Chen:

For courage and determination displayed in an encounter with an armed criminal on Chengtu and Avenue Roads on January 18, 1940, are each awarded the Police Distinguished Conduct Medal, Class II.

C.P.S. 3208 Chao Ching Soong:

For outstanding initiative and conspicious bravery in the apprehension of an armed criminal on Changping on January 25, 1940, is awarded the Police Distinguished Conduct Medal, Class II.

Det. Insp. T. Hill, D.S. A. E. Taylor, F.S. R. J. W. Crouch, F.P.S. E. J. Quigley:

For particular initiative and outstanding efficiency in the apprehension of a gang of armed criminals in a house on Yates Road, on January 25, 1940, are each awarded the Police Distinguished Conduct Medal, Class II.

C.P.S. 2373 Mang Kuang Liang:

For great courage and determination in the arrest of an armed criminal on Fokien and Wuhu Roads on January 3, 1940, is awarded the Police Distinuished Conduct Medal, Class II.

F.S. 791 S. Okura, F.S. 778 M. Kasukawa:

For exceptional bravery and devotion to duty in an encounter with armed criminals on Whashing Road on January 17, 1940, are each awarded the Police Distinguished Conduct Medal, Class II.

C.D.C. 213 Chang Pei Lan:

For bravery and devotion to duty in the apprehension of armed robbers on Avenue Edward VII on March 7, 1940, is awarded the Police Distinguished Conduct Medal, Class II.

Sub-Inspector I. James:

For great bravery and initiative displayed in the apprehension of a gang of armed criminals on Bubbling Well Road on March 11, 1940 is awarded the Police Distinguished Conduct Medal, Class II.

C.D.C. 101 Chang Pao Hsin:

For outstanding efficiency, resourcefulness and bravery in shooting dead an armed criminal on November 21, 1939, is awarded the Police Distinguished Conduct Medal, Class II.

Sub-Inspector H. Bretherton:

For outstanding initiative and courage in connection with a shooting affray with an armed criminal on Weihaiwei Road, near Avenue Foch, on December 8, 1939, is awarded the Police Distinguished Conduct Medal, Class II.

F.S. A. E. Cornwell:

For bravery and devotion to duty in connection with a shooting affray with an armed criminal on Weihaiwei Road, near Avenue Foch, on December 8, 1939, is awarded the Police Distinguished Conduct Medal, Class II.

C.P.C. 3051 Hu Ting Yin:

For bravery and initiative displayed in the apprehension of an armed criminal on March 7, 1940, is awarded the Police Distinguished Conduct Medal, Class II.

C.P.C. 3300 Feng En Yoong:

For great bravery and initiative displayed in an encounter with armed robbers, on March 23, 1940, is awarded the Police Distinguished Conduct Medal, Class II.

D.S. R. Eynstone, D.I. J. K. McCaney:

For great bravery and initiative displayed in challenging a gang of armed desperadoes on Connaught Road on the evening of April 26, 1940, are each awarded with the Police Distinguished Conduct Medal, Class II.

F.S. W. A. Nicoll:

For outstanding courage and initiative in the apprehension of an armed criminal at the intersection of Nanking and Kwangse Roads and in the Sun Sun Company's Store on May 24, 1940, is awarded the Police Distinguished Conduct Medal, Class II.

C.P.C. 2236 Shen Chia Tseng:

For great bravery and devotion to duty in an encounter with armed criminals on Nanking Road on May 10, 1940, is awarded the Police Distinguished Conduct Medal, Class II.

F.P.S. 622 S. Arai:

For bravery and devotion to duty in the shooting of an armed criminal on East Yuhang Road on April 8, 1940, is awarded the Police Distinguished Conduct Medal, Class II.

C.P.S. 565 Fan Kuang Hung, C.P.C. 1443 Hwa Ming Shan, C.P.C. 1667 Teng Tsen Piao:

For courage, initiative and devotion to duty in the apprehension of a gang of well-armed robbers on April 19, 1940, are each awarded the Police Distinguished Conduct Medal, Class II.

Late C.P.C. 2556 Chang Chung Hai:

For outstanding courage and bravery displayed in an encounter on Weihaiwei Road on April 13, 1940, with armed assassins, during which he received wounds which later proved fatal, is awarded posthumously the Police Distinguished Conduct Medal, Class II.

F.S. P. B. Duffy, C.P.C. 671 Sadhu Singh, C.P.C. 1014 Yu Ya Ling:

For outstanding courage, initiative and tenacity in a shooting affray with armed assassins on April 13, 1940, are each awarded the Police Distinguished Conduct Medal, Class II.

French Police C.P.C. 113 Yang Chong Tsu, French Police C.P.C. 302 Zung Ong Liang:

For excellent assistance rendered to the Municipal Police in the above mentioned case are each awarded the Police Distinguished Conduct Medal, Class II.

Sub-Inspector Li Shu Fa:

For courage and initiative in an encounter with a gang of armed criminals on Jessfield Road on July 6, 1940, is awarded the Police Distinguished Conduct Medal, Class II.

C.P.C. 920 Chang Jui Sheng:

For great courage, initiative and tenacity in shooting dead an armed criminal on Robison Road on July 24, 1940, is awarded the Police Distinguished Conduct Medal, Class II.

F.P.S. 130 Webb, N. C.:

For great courage, initiative and efficiency in the arrest of two armed robbers on August 24, 1940, is awarded the Police Distinguished Conduct Medal, Class II.

C.P.C. 3332, Li Teh Chong:

For outstanding bravery in the arrest of an armed robber on Shanhaikwan Road on July 18, 1940, is awarded the Police Distinguished Conduct Medal, Class II.

Evacuation Plans To Meet Far East Crisis Have World-Wide Effect: Moves Speeded Up

Evacuation plans in connection with the Far Eastern situation last week had far-reaching effects the world over.

While Americans in the Orient boarded ships for the United States, Britons were leaving Japan and Nippon residents in India and the British Isles were embarking for their native land.

In Hongkong, British women threatened to block the colony's evacuation program even to the point of one threatening to commit suicide, and in Shanghai Americans cooled their heels in hotels awaiting evacuation ships from America, which they charged were charging too high a price for the passage.

U. S. NOT TO AID FAR EAST EVACUEE POOR

The State Department on October 29 announced in Washington that American citizens in the Far East who lack funds to evacuate to the United States will not be able to secure financial aid from the government to purchase tickets home.

The Washington announcement, however, did not affect the nearly 4,000 persons in Shanghai who have applied for passage to America on the three evacuation boats scheduled to arrive in Shanghai next month, as all had made arrangement for payments of their fares.

Meanwhile Americans and British subjects were migrating towards coastal ports from China's interior, scheduled to arrive at the docks in time to catch one of the ships "back home," but missionaries there accided to remain at their posts.

The Japanese and British Governments reached an agreement whereby London would aid in the evacuation of Japanese and Tokyo would help Britons secure passage from Japan. Reports from both countries indicated that a majority of the "visiting foreigners were making plans to leave when facilities were provided.

On October 26 Japanese subjects totaling 65 left for Japan. Following the British Embassy advice on October 25 that British subjects leave the Japanese Island, a large number called on steamship companies to book passage. At a convention held in Nagoya the Canadian Church of England Mission in Japan decided to withdraw from Japan.

Twenty-six missionaries notified authorities they would leave Japan as soon as possible. Another Japanese boat arrived in Shanghai from the south on Wednesday of last week with 25 Japanese evacuees from Hongkong.

A new bulletin from Mukden reported that about 50 Americans there planned to be in Tientsin or Shanghai when the American evacuation ship arrived to take them to the United States.

A dispatch from Canton on October 26 said the International Settlement of Shameen in Canton was assuming a deserted appearance with the continued evacuation of British and American nationals.

In Shanghai more than 50 persons arrived last week from the interior awaiting accomodation on an evacuation ship to the United States.

An uprising of women against compulsory evacuation marked last week's developments in the Hongkong Government's program to rid the colony of women and children.

Forty-one of the 300 women still to be sent away banded themselves into a committee to fight the evacuation. One woman said she would cut her wrist and that of her child before "living on charity in Australia."

In Shanghai it was officially announced that all dependents of regular U. S. Naval and Marine personnel would be evacuated by the middle of November.

The first indication that fares would be lowered on evacuation ships from the original rate, came last week when the American President Line here received word from the United States notifying them that revised rates would be avilable for passage in the Monterey.

The Shanghai fares for cabin class by this vessel will range from US$240 to US$350 and first class passage will start at US$390.

The Monterey is scheduled to arrive in Shanghai today and sail tomorrow for Australia, Mago Pago and San Francisco. The Mariposa is expected to arrive in Shanghai November 10, Chinwangtao November 13, Kobe November 15, and Honolulu November 22. The Washington, according to latest reports will arrive in the Orient on approximately November 19.

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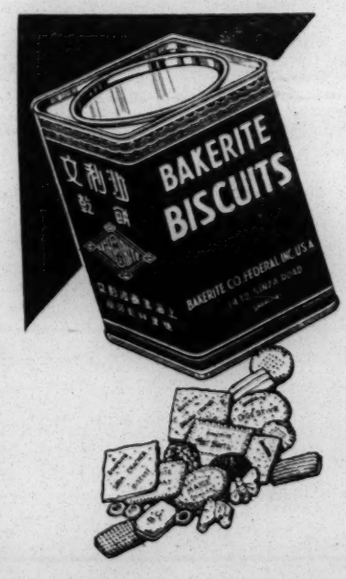

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Suma Admits Japanese Negotiations With N.E.I. On Oil Have Broken Down

Confirming predictions that the Anglo-U. S. departure from appeasement in the Far East would lead to radical changes in Japan's policy (**Review**, October 26), Yakichiro Suma, spokesman of the Tokyo foreign office, last week admitted "that no agreement had been reached" by the recalled Japanese Economic mission to Batavia. Previously rumored was the story that Britain had cornered the high-octane gasoline market in the N.E.I., and this with the embargo imposed last week by Mexico finally shut down on all oil supplies to Japan.

Spokesman Suma broke the news gently. He said.

"Negotiations are progressing very smoothly." He added that conversations were still continuing in Batavia on various matters including oil, Mr. Suma further revealed that Mr. Ichizo Kobayashi, Japanese Minister of Industry and Commerce, who had been heading the Japanese mission in Batavia, planned to return to the East Indies following his trip to Tokyo.

Questioned regarding a London press message stating that the British Government had negotiated for exclusive purchases of aviation gasoline in the Netherlands East Indies, the spokesman replied, "We know nothing regarding it", but referred to a Batavia message which carried a denial of London's claim by the Netherlands East Indies Government officials.

Asked if the Japanese delegation in Batavia was negotiating with Dutch firms there, the spokesman replied that they were negotiating with the Netherlands East Indies Government, although they indirectly might have something to do with Dutch oil interests.

Mr. Suma admitted that he had seen press dispatches alleging that Anglo-American oil interests were placing obstacles in the path of the Batavia negotiations, but he refused to comment.

The Mexican Government last week cancelled a contract with the Compania Petrolera Veracruzana, in which Japanese interests were said to be dominating.

The contract, which was published only recently, entitled the company to geological and geophysical researches. The company, said a **Transocean** message had an option on the exploitation of 100,000 acres of Mexican land.

It is generally believed in Mexico City that this notice was served as a result of pressure exerted by the U. S. Government. It was on request of the U. S. Government that the Mexican Government also prohibited exports of large amounts of mercury and 18,000 tons of scrap iron to Japan, but the ban on the shipment was later withdrawn.

KIANGWAN RIFT SEEN AS FU IS HONORED

The straggling funeral cortege of Mayor Fu Siao-en marked the final chapter in the public life of the former Special Municipality leader who was assassinated on October 12, but left in the wake an uncertain political situation as Nanking authorities delayed in naming a man to the vacant post, and personnel resignations were reported at the municipality offices.

Early Sunday morning the procession began its trek through the streets of the Settlement and Concession and came to a halt at the Chaofeng Funeral Parlors on Yu Yuen Road without incident.

For mile after mile the train of cars and trucks made their way through the blocked-off streets and roads. There was but a handful of people to witness the procession publicly although thousands watched from their offices and windows.

While City Government poliee rode in trucks with bayonets fixed, hundreds of Settlement policemen lined the streets, preventing anyone from moving within range of the funeral cortege as it passed.

Before the procession began police warned those along the route to remain inside their homes to prevent any incident taking place.

The city remained ghost-like with streets quiet and lonely until almost 12:30, when the procession reached its destination. As if a signal was given for Shanghai to begin living again, the blockades were thrown open and streams of people resumed their business, buses started their motors and tram bells were again heard.

The assassination had its repercussions both in Nanking and Shanghai. At the headquarters of Wang Ching-wei trouble immediately cropped up when authorities were confronted with the problem of choosing a new mayor for the Special Municipality in Shanghai. Rumors have already had a half a dozen persons taking over the unwanted post.

What was labelled as "family trouble" indicated that all was not well in the Shanghai Special Municipality. Trouble was reported in the administration, Several days before, Mr. Y. Z. Chow, Bureau of Finance was reported to have handed his resignation to Nanking authorities.

The family trouble was associated with Mr. Soo Hsi-wen, Acting Mayor of Shanghai's Special Municipality. It was reported that one of the assistants of Mr. Soo was discharged last week because of his attempt to gain an influential post. It was reported that the wife of Mr. Soo interfered with the assistant's plan in connection with his daughter's marriage.

where two men were reported to have handed in their resignations since the mayor was found chopped to death in his bed.

It was understood that Y. T. Van, Commissioner of the Land Bureau, forwarded his resignation from the Municipality in a telegram to Nanking. Commissioner of the Municipality's

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NEW YORK BUFFALO LONDON

Nanning Recaptured By Chinese After Nearly Twelve Months Of Continuous Fighting

Scene of continuous bitter fighting for nearly twelve months, Nanning, former Kwangsi capital, was re-entered by Chinese troops at 9 p.m. on Monday last. Kwangsi troops, heroes of the famous battle of Tsierchwang, added to their laurels in the recapture of the city, which, Japanese claimed, was "evacuated" by Nippon forces because with facilities granted them for passage through Indo-China, "there was no reason for continuing to hold the city."

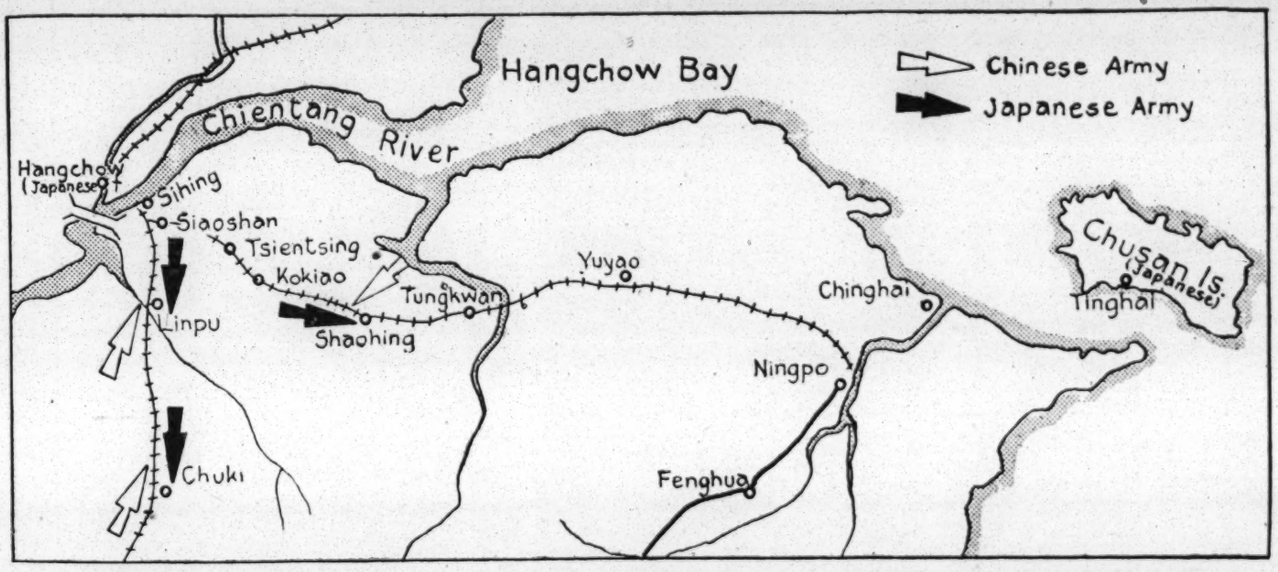
Fuchun River have been liquidated by the Chinese. Stubborn resistance was also reported to have offered by the Chinese against repeated Japanese assaults on Lichushih, west of Shaoshing on October 25. Japanese troops at Yuanshe, between Shaoshing and Tsientsing, were claimed to have been intercepted by the Chinese troops.

Japanese military units on the morning of October 26 occupied Shaoshing, famous Chinese wine center south-east

800 Chinese guerillas reached the suburbs of Lanping Hsien, in Jehol province, on October 20, then moving northward into Manchuria following a brief engagement with Japanese troops.

Liyang, strategic town in Kiangsu Province, south-east of Nanking and west of Ishing, was another city to be added to the Chinese list of successes. The city, 90 kilometers south-east of Nanking, is regarded as of great military importance, especially at the pre-

Japanese Drive Into Chekiang Province



Taken by the Japanese forces over the weekend, Shaoshing, famous wine producing center in Chekiang province, was declared by Chungking to have been recaptured by the Chinese troops Tuesday, after furious fighting. The recapture of Shaoshing was the second outstanding Chinese victory within a week, the Japanese having admitted the loss of Nanning on Monday.

Chinese field despatches declared that an offensive was launched against Nanning from all directions on October 23 and before the city had been captured, the Japanese started a vigorous counter-offensive along the Wuming-Nanning highway, supported by strong forces of aircraft and artillery. The Chinese encircling movement, however, could not be stemmed and Japanese troops holding the city were compelled to retreat along the road they marched to costly victory on November 24, 1939. Three other strategic cities in Kwangsi were retaken as the Chinese offensive developed.

As Nanning was being reentered, Lungchow, strategic city north of Chinnankwan Pass which was brought under heavy Chinese encirclement a week ago, was also regained by the Chinese after a terrific engagement with the Japanese. Meanwhile, another two columns of Chinese troops cooperating with the forces attacking Nanning and Lungchow, launched a surprise attack against Japanese positions in Suiloh and Mingkiang, both important cities situated between Lungchow and Nanning on Kwangsi's border, and succeeding in the re-occupation of both.

Fighting in Eastern Chekiang

Sanguinary fighting has taken place in the Shaoshing sector, on the Hangchow-Ningpo Railway in eastern Chekiang. Early Chinese reports claimed that the Chinese forces were heading for Linpu, south-west of Siao-shan, on the southern bank of the Chientang River in Eastern Chekiang. The remnant Japanese on the southern bank of the

of Siaoshan, following protected military engagements with guerillas in the region. Terrific street fighting was reported to have taken place in Shaoshing when the Japanese entered the city, and two days later it was announced by the Chinese that the city had been retaken.

Despite an intensified Japanese assault northward from Anking, former provincial capital of Anhwei, the Chinese claimed another major victory by recapturing Chienkiang, northwest of Anking. Reports from Lihwang further stated that the Chinese troops had continued their advance and recaptured Shihtzeshan and Tushinfeng, south-east of Tsienshan, in south-western Anhwei, following the recapture of Hawangnishan, in the Tsienshan sector. Meanwhile, Souhsien, in central Anhwei, South-west of Pengpu, was the object of Chinese attack during the past few day, and vanguards of Chinese troops had reached the suburbs of Souhsien city already, **National Herald reports** stated.

Fighting Resumes in North

According to a Sin Wen Pao message from Chungking, fighting in the north has been resumed and serious engagements were reported between Paotou and Shahsien, in Suiyuan Province, during the past week. Chinese troops claimed to have succeeded in occupying the Shansien railway station for a time, and communications between Peiping and Paotou were cut. Paotou, Wuyuan and the surrounding area are, it may be recalled, controlled by Chinese troops under the command of General Fu Tso-yi. Reports from Chengtu, provincial capital of Jehol, state that more than

sent time when the Chinese forces are launching a general offensive in the Nanking-Shanghai-Hangchow area. The "Nanking troops" and the Japanese troops, according to the **National Herald,** were reported to have clashed and two locomotives and 10 cars along the Nanking-Shanghai Railway were destroyed.

Intensified Air Activities

Aside from severe land battles on both sides, the Japanese last week resorted to more intensified air raids ever important cities in Free China. In the course of indiscriminate bombings, foreign properties suffered particularly heavy damage last week. A Junkers plane of the Sino-German Eurasia Aviation Corporation was forced down and burned when nine Japanese planes made a lightning raid on Kunming on October 26. Taking off and flying north when the alarm sounded, the Junkers was reported to have run into the oncoming raiders and was chased and machine-gunned by four of the Japanese planes. The chief pilot, Walther Lutz, was wounded twice in the shoulder but succeeded in landing in a rice field, escaping together with the radio operator and two Chinese guards.

The Tutuila, United States gunboat anchored in the Yangtse river in Chungking, and the Butterfield and Swire steamers "Wanliu" and "Wanhsien," were damaged as Japanese warplanes staged an air raid over Chungking on October 25, according to **United Press.** The Tutuila was hit by a 400-pound boulder which was knocked off an overhanging hillside by Japanese bombs. Another bomb was reported to have fal-

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len near the American Embassy south of the bank, a district, it may be recalled, pledged by the Japanese command as immune. Casualties suffered in the downtown and south bank areas on October 25 were estimated conservatively at 200, with about 200 houses destroyed. One bomb scored a direct hit on an American ice factory, caving in the walls and destroying the building, resulting in losses estimated at US$10,000. Chinese anti-aircraft artillery which kept up a heavy barrage during the raid were reported to have shot down one heavy Japanese bomber. Another raid over the city by a fleet of 24 Japanese planes damaged a Catholic mission church, the Y.W.C.A., the former Japanese Consulate, the Custom House and the Post Office.

Burma Road Kept Open

Despite the Japanese claim that the Mekong river bridge was destroyed during air attacks on October 25, Chungking declared that traffic along the Burma Road was maintained, **Reuter** reported. The first batch of loaded trucks was reported to have already passed through Kunming en route to Chungking. Not a single truck was hit or machine-gunned under the severe Japanese air activities because, in addition to the protection rendered by recently installed anti-aircraft batteries, the entire road is lined with natural shelters.

Japanese bombers over Yunnan on October 26 were claimed to have attacked an airplane factory at Lengwen, located in the Himalayan foothills on the Yunnan-Burma border and shot down ten Chinese machines. The Lungwen factory it was declared, was operated as a joint Chinese-American enterprise.

Two groups of Japanese aircrafts bombed Chengtu, the provincial capital of Szechwan, on October 26, claiming to have brought down ten Chinese planes in engagements over the Sintsing airfield, south-west of Chengtu in Western Szechuen. The same city and Wanhsien, also in Szechuen, were bombed again the following two days. Lingshan, east of Nanning in Kwangsi, was bombed on October 26, according to **Domei** reports.

JAPANESE DIPLOMATIC RESHUFFLE CONTINUES

The ninth recent reshuffle of diplomatic posts by the Tokyo Government took place on October 24 when Mr. Katsumi Niino, chief of the First Section of the Commercial Affairs Bureau of the Foreign Office was named as the new Japanese Consul-General at Manila.

Domei news agency announced at the same time that Mr. Kivoshi Tsutsui, First Secretary of the Japanese Embassy in France, would be named Minister to Rumania, while Mr. Toshitaka Okubo, chief of the First Section of the Treaty Bureau of the Foreign Office will be assigned as Minister to Budapest. It was also announced in Tokyo that Mr. Alexander Nagai, commercial Secretary of the Japanese Embassy in Berlin will be appointed Commercial Councillor at the same station.

The new Japanese Ambassador to Turkey, Mr. M. H. Kuoihara, arrived in Ankara on October 24 to take his new duties. Lieutenant-General Yoshitsugu Tatekawa, newly appointed Japanese Ambassador to Soviet Russia arrived in Moscow on October 24. It was announced in Tokyo that a Japanese Legation would be established in Australia and that plans were underway for the Legation in Buenos Aires to be elevated to an Embassy.

Meanwhile Japan's special envoy to the Netherlands East Indies, Ichizo Kovayashi, was en route last week to Tokyo, his brief case of contracts apparently still unsigned by Batavia officials. Changes in Japanese administration heads in Formosa and Korea loomed this week as the Governor-Generals at both places indicated they wished to vacate their posts.

Y. F. Hung Dies

Memorial services for Mr. Y. F. Hung, compradore of the Shanghai Race Club who died October 28, were held last

Thursday at the China Funeral Home. The announcement of Mr. Hung's death was the cause of deep regret among members of the club and his many Chinese and foreign friends. He had been associated with the Race Club since 1898.

Chinese In Panama Send U.S.$70,000

The Chinese community in Panama has made a donation of U.S.$70,000 to the National Government for the purchase of airplanes to strengthen the National Air Force, it was announced October 25.

General Chiang Kai-shek, President of the Military Affairs Commission, despatched a cable of thanks to the donors.

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Japan Revolts Against Restrictions Imposed By Desperate Dictatorship

The steel jaws of the economic vice which has held the Japanese businessman in a death grip since the beginning of the Sino-Japanese conflict in 1937 were inched closer together last week, and forced from their victims a cry taken up by politicians, the press, and even the army.

Venting long repressed sentiments, leading vernaculars in Tokyo this week lashed out against excesses in economic control which had resulted in the demoralization of the Japanese people, **Domei**, official Japanese news agency reported.

The **Domei** despatch told but part of the story of how the Japanese people have been whipped into submission by Tokyo's military dictatorship, but it did indicate the trend of feeling among the people, and the critical situation existing in the Island empire, where people are desperate as another winter approaches with no relief in sight.

Japanese civilians see a cold winter first of all—a winter without sufficient fuel, without rice and without funds to buy their meager rations. They see factories closing down on one side and huge department stores closing their doors on the other. It is not often the Japanese men in the street dare to fling criticism at the government through their journals, nor is it common to find the newspapers taking up the cry from the people.

During the past 10 days, however, this very thing is being done, apparently set off by the Government's attempt to cover up Japan's failure in negotiating an economic pact with the Netherlands East Indies.

They Want To Know

Observers believe that it was not the actual failure of the mission in the Indies, but the Government's attempt to hide the true facts in the case, that prompted bitter protests from leading newspapers both in Tokyo and Kobe.

It was explained that the people in Japan were looking further than one failure. Right at home they wanted to know why it was that their stores were closing, power for factories reduced, when their armies were "victorious" in the fields and the Chinese were becoming their "friends."

A series of telegraph dispatches from Tokyo prove without doubt the Japanese people are writhing with discontent, openly for the first time in many years. The first rumblings already have been heard in the Government.

A **Domei** report on October 24 declared: "The joint outbreak—one of the most outspoken in months on international affairs—was precipitated by the decision of the State Minister's Council on Economic Affairs, October 22 to take steps to lift the national **morale**, which was seen lagging because of too stringent enforcement of the anti-luxury regulations and other emergency restrictions."

A **Reuter** dispatch from Tokyo on October 24 reported that greatly alarmed over the approaching signs of another electric power shortage this winter, civil power companies in Japan were urging the Japan Electric Power Generation and Transmission Company to do everything in its power to avoid a repetition of its previous blunders this year. The story was credited to the **Kokumin** journal.

Power Shortage Felt

The supply from the Japanese Electric Power Company was again declining, affecting industrial and business quarters in the Kwanto district.

Confirming the newspaper report was an article in the **Asahi** carried over the **Havas** news agency wires, which said that factories in and around Tokyo had decided to close their plants one day per week in order to avoid a repetition of last year's power shortage. The article continued:

"Indications of the growing seriousness of the electricity supply situation have been apparent for some time. Recently electric clocks in Tokyo have performed most erratically.

"The authorities concerned blamed the electricity shortage on a marked increase in consumption by householders. They are planning to launch a campaign to induce the residents of Tokyo to eliminate all waste of electricity and to avoid anything which will consume power, particularly electric irons, which have been increasing in use during the past few years."

The **Kokumin** article on the power situation, pointed out that directors of the civil power companies who were all greatly concerned over the current power supply conditions in Japan, which were apt to develop from bad to worse in the near future unless something was done to curb this tendency immediately, were desirous of holding a conference with authorities of the Japan Electric Power Company.

Army Joins Protest

Another **Domei** report from Tokyo on October 25 said that the army added its powerful voice to the demand for measures to improve the national **morale** as Lieutenant-General Hidiki Tojo, War Minister, asked the Cabinet to devise appropriate steps to enable the people to face the present situation with energy.

The despatch of the Japanese news agency added:

"It is understood that the War Minister openly scored petty interference in trivial matters of national life, which was causing the people to be depressed. At the cabinet meeting General Tojo, however, warned that he was not advocating dissipation and laziness, but the enlivement of the stagnant spirits of the Japanese people by the development of the qualities of simplicity and wholesale exercises to encourage health."

The newspaper **Yomiuri** on October 27 said that the Silk Textile Merchant Guilds in Kyoto, which have been severely hit by the enforcement of the anti-luxury laws on July 7, approached the Central Bank for Commercial and Industrial Guilds for a loan of 1,000,000 yen. The Guilds have already borrowed some 12,000,000 yen from various banks for the disposal of prohibited goods held by members of these guilds, the newspaper declared.

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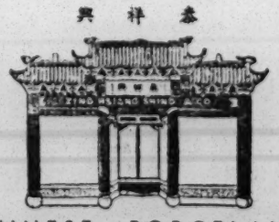

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Hongkew Carpetbaggers Face Lean Era As Loot Dwindles, Chinese Refuse Co-Operation

Hongkew's carpetbaggers, the notorious loot dealers of 1938 and 1939, have come to the end of their tethers and are facing complete financial submersion, a survey of illicit trading activities north of Soochow Creek this week revealed. Not only are the Japanese "Wallingfords" going under in the vicious morass they created, it was learned, but they are dragging down with them that handfull of sturdy legitimate Japanese traders who managed to maintain a legal business basis with their Chinese friends despite three years of unremitting obstruction by their uniformed compatriots.

Hongkew's carpetbaggers and camp-followers poured into Shanghai in their hordes on the heels of the Japanese army at the end of 1937 and beginning of 1938 and lost no time in establishing with their army, navy and consular officials contacts that rapidly converted millions of dollars worth of Chinese-owned goods, frozen by the Japanese in Hongkew, Wayside and Yangtszepoo godowns, into liquid assets, with the legitimate owner of the goods, of course, losing anything from 20 to 80 per cent of their value in the process of their removal to places of safety south of the Creek.

Those were the days when Chinese merchants faced with a complete loss on perishables endangered by the abnormally hot summer and warm fall of 1937 adopted themselves by force of circumstances to a philosophy in which a slice of bread was better than no loaf, and they paid willingly, although by no means cheerfully for the privilege of salvaging what they could of their goods. They were halcyon days for the go-betweens, also; those mysterious personages of doubtful nationality but undoubted lack of morals, who were employed by Chinese merchant and Japanese racketeer alike—by the former to obtain passes for the release of merchandise from godowns in the occupied northern areas, and by the latter to locate owners of what appeared to be profitable cargoes.

The Chinese were not the only ones to suffer. Foreigners, and even one or two of Shanghai's largest foreign firms, fell into the clutches of the Japanese pass concessionaire; they had to, or fail to fill contracts entered before the outbreak of hostilities and dependent on supplies held in the occupied areas. Under the Japanese monopoly system, the racket spread from Hongkew to far distant areas, as will be recalled in connection with the infamous egg scandal early last year. From every ounce of merchandise, foreign-owned or Chinese owned, the carpetbaggers took their toll, but it was Chinese merchandise which paid them most richly. In the case of Chinese-owned goods, the racket was reduced to the level of open looting.

Transfer Racket Also

Alongside the looters and pass agents there sprang into being another highly profitable racket, the transfer agent, expert in switching Chinese property to the protection of certain flags—at a price, of course. Under the patronage of well-rewarded Japanese officials of all and sundry ranks, shady individuals claiming extrality prospered mightily in the business of hoisting the bunting a half a dozen little known nations above hulks, godowns and buildings, and they prospered the more by reason of the fact that Japanese authorities persistently refused to recognise legitimate deals.

Fortunes were made with the pressure of a Japanese chop by these people, who overnight shed rags for cloth, the humble ricsha for gleaming automobiles, rough rice for polished—all at the expense of the unfortunate owners of the goods changing hands, or being "transferred." Ex-Tokyo waterfront rats swaggered with noisy self-consciousness through the lounges of Shanghai's downtown hotels, betraying the recent acquisition of their wealth by their spending of it, and their breed by their manners. A smaller and lesser group of Chinese sycophants scraped servilely around them for what crumbs might be flung their way.

It was easy money, while the loot lasted, and while the circumstances of the moment were favorable for the looting. But the end has come, for today there is no loot. The godowns have been swept clean and the victims so willing to be plucked two years ago have either disappeared, or are now showing a remarkable lack of enthusiasm for the plucking process. And the easy money of yesteryear has either been squandered recklessly or invested with the most unaccountable lack of success in Sino-Japanese business ventures.

Began Last Year

Actually the great slump in Hongkew's racket industry began early last year with the removal or wastage of all perishable Chinese-owned merchandise. Chinese owners of this type of merchandise were induced by the urgency of their cases to agree to outrageous percentages being paid for the privilege of having their goods transported south of Soochow Creek, or being otherwise disposed of. With them it was either a case of pay up or lose all, and most of them paid up. Millions of dollars worth of perishables were raced across Shanghai's Garden Bridge in those fabulous days of mile-long traffic jams at the approach to Japanese examination stations, but on an average, the value of the goods had been cut by over a half before they reached their destination.

Owners of non-perishable goods proved harder nuts for the concessionaires to crack, as unless they had the fear of confiscation thrown into them

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(and this could not always be done), they had a tendency to bargain, and profits for the racketeers were consequently reduced. Still, the business was well worth while and the racket continued to produce some tidy fortunes. Coal and metals were particularly profitable propositions to handle in this category, but since they also attracted the keenest bidders, the market was soon cleaned up, outside of certain lots reserved for reasons of "military necessity."

Finally, and recently, the racket was reduced to deals in non-movable property owned by present or former Chinese Government servants and therefore "confiscated" property. This field, obviously was extremely limited and consequently open only to the very big shots in the protection racket, with the result that one by one the lesser lights were squeezed out. Some of them promptly went under when faced with the necessity of working; others, just as unfortunate but perhaps with better intentions, went into business as primary produce dealers, rightly observing high market prices for goods that apparently could be bought upcountry for a song. Lack of experience and strong Chinese opposition spelled **finis** to them. The visionaries went into the gambling business and made such a good thing of it that the army went into it also—and their pile was gone.

"Passive Resistance"

One foreigner closely connected with the pass racket as a go-between and general Japanese agent for nearly three years told **Review** that the majority of Japanese businessmen in Hongkew were desperate, actually living in a state of fear and uncertainty as to the future. Legitimate business had been ruined by the carpetbaggers, he said, and on every hand Japanese efforts to do business with the Chinese were being obstructed by determined passive resistance, even within Hongkew itself. The Chinese have got back every cent taken from them, he continued, and more—they have scored a moral victory over the Japanese racketeer just as damaging to Japanese **morale** here and in Japan as the prolonging of the war. About ninety per cent of the Japanese in Hongkew today are walking cases of frustrated optimism, and the truth of the situation out here is filtering back to their home towns, he declared.

There was a time even a year ago, the foreigner continued, when he could command a retainer of $500 a month and cut in a commission on every deal with which he was connected, merely for acting as an informant to Japanese pass agents. This week, he said, he was taken off the salary sheet altogether and his commission cut to a margin that made it necessary for him to look for honest work for the first time in three years. The firm for which he acted as informer, he declared, was simply out of business, and so was every other pass agency of which he knew.

Hopes were being entertained by the Japanese in Hongkew, he said, that the establishment of the new "Central Bank" in Nanking would put them in the way of easy money again, but these hopes were accompanied by lively fears over the outcome of the new crisis in the Far East and the trend of the Sino-Japanese hostilities. Uncertainty as to the future, he claimed, was causing more discontent among the Shanghai Japanese than all the other causes combined. Only the fact that they have no anxiety to face the restrictions of wartime Japan, he stated, kept them from returning home, but sooner or later the Japanese authorities here would be compelled to deal with them as a relief problem of major proportions.

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Shanghai Silk Boom Broken By European War Extension, Japanese Cocoon Monopoly

BY FREDERICK FANG

ALTHOUGH all the silk filatures in Shanghai were forced to suspend operations in the early part of October owing to a lack of dried cocoons, practically all the silk filatures made large profits during the past year. During the year ending May 31, 1940, exports of Chinese silk amounted to 70,237 bales, according to the Raw Silk Exporters' Association. Of this total, 40,315 bales or about 60 per cent were exported to the United States, 14,778 bales to India and Africa and 14,144 bales to the European countries.

In May, 1938, the price of raw silk was $1,300 to $1,400 per picul, while the price of dried cocoons was around $160 per picul. Business was so good during the year that some the filatures made net profits amounting to $1,000,000 or $2,000,000, while smaller ones showed minimum profits of $100,000 to $200,000. In the early part of 1939, foreign demand became very brisk and as a result the price went up rapidly. After June the price rose from $2,000 per picul to $3,000 and in August it advanced to $4,500. By December, 1939, the price reached the record high of $6,600.

It was because of this increase in prices that the Chinese silk filatures in 1939 witnessed an unprecedented prosperity. During the year, it was estimated that the cost of production of one picul of silk was only $1,700 but the market price was as high as $5,000 to $6,000. Profits of the big filatures in 1939 doubled that of 1938. In the early part of 1940, the silk business continued to be boom but in the latter part of May, the price of silk began to drop with the extension of the European War and by the end of September, the price of silk was only $5,200.

Numerous Small Mills

Prior to the outbreak of hostilities in August, 1937, Shanghai had 44 silk filatures with a total of 10,326 reeling machines, representing 38 per cent of the total number of silk filatures in Kiangsu and Chekiang provinces. These 44 silk filatures may be classified in the following according to the amount of theif capitals:

Capitalization	*Number of Chinese Filatures*	*Number of British Filatures*	*Total*
$ 0–10,000	2	–	7
10,000–20,000	7	–	7
20,000–30,000	25	–	25
30,000–40,000	5	–	5
40,000–50,000	3	–	3
50,000–60,000	1	–	1
60,000–above	–	1	1
Total....	43	1	44

From the above table, it is apparent that the Chinese mills were small ones, most of them with a capital of not more than $30,000. The British Ewo Silk Filature's capital was more than $100,000. As most of the mills were very old, Shanghai was able produce only 4,800 piculs of silk per month when all mills operated at full capacity. The productivity of the Shanghai mills were far less than the filatures in Wusih, where most of the filatures were installed with new machines. The following table gives the number of reeling machines of the 44 silk filatures of Shanghai:

Number of Reeling Machines	*Chinese Filatures*	*British Filature*	*Total*
0–200	12	–	12
200–300	26	–	26
300–400	1	–	1
400–500	4	–	4
600–above	–	1	1

As most of the filatures were located in Chapei, over 90 per cent of them were destroyed during the hostilities, including the Chi Yu, Chiu Yu, Chiu Fung, Yung Ho, Fu Chang, Tai Lum, Hai Fung, Wei Yuan, Yuan Shun, Kin Chen, Ya Sin, Shun Fung, Ta Fung, Chia Ting, Hung Chong, Kung Ta, Mei Fung, Teh King, Yu Fung, Tung Shiu, Heng Chang, Yu Fung, Sin Lum, Yuan Chong, Ho Tai, Yin Tai, Chung Sin, Hsiang Chen, and Yi Fung Chong Kee filatures. Those which sustained partial damage were the Ching Yi, the Pao Fu, and the Sin Chong filatures. The Ewo, Tung Yu No. 1 Filature, the Tung Yu No. 2 Filature, the Sin Chong, Li Yuan, Ya Yuan, Yu Tai, Pao Tai, Kwang Yuan, Shao Shing, and Chung Kuo filatures sustained no loss as they were located in the foreign settlement and concession of Shanghai. It was estimated that a total of 7,000 reeling machines were completely destroyed, about 500 were partially damaged and 2,562 were not damaged. The loss of factory premises and boilers was estimated to be over $10,000,000. The following table gives the condition of the losses of different filatures:

	Number of Filatures	*Capitalization*	*Number of Reeling Machines*
Completely Destroyed	30	$ 701,000	6,666
Seriously damaged ..	3	95,000	864
Slightly damaged ...	–	——	—
Undamaged	11	1,224,000	2,690

New Companys Spring Up

In the spring of 1938, a number of old filatures resumed operations and new ones were organized. It was estimated that at that time 19 filatures with a total of 5,127 reeling machines resumed operations, including the Ewo and Ewo Sin Kee (reorganized from the Tung Yu Filature), and the newly organized Lien Yuan, Heng Sen, Lien Chen, Chien Yeh, Yung Chong, Shanghai, Tung Chen, Hwa Lum, San Yi, Chen Sin, Yueh Sin, Yu Fung, Fu Lung, Hung Fung, Chen Lum, Te Ho, Tsung Sin, Lien Chong, Lien Sen, and Heng Cheng filatures. The price of cocoons at that time was only 20 to 30 cents per catty. By May, foreign silk exporters had become active again and the price of silk increased from $1,300 to $1,400 per picul while the price of dried cocoons was only $160 per picul. In 1939, seventeen new filatures were organized, including the Hung Fung, Mei Lung, Shiu Chen, Hung Li, Yu Ta, Hung Ta, Hung Yu, Chin Chen, Mei Chong, Lung Chong, Chen Lung, Shun Yuan, Sin Sin and others. These new filatures had a total of 1,623 reeling machines. By the end of 1939, Shanghai had a total of 38 silk filatures with a total of 6,754 reeling machines. The following table gives the changed condition in the past two years:

	Number of Filatures	*Capitalization*	*Number of Reeling Machines*
Filatures resumed operations in 1938	2	$ 100,000	1,264
in 1939	–	——	—
New filatures organized in 1938	19	1,787,000	5,127
in 1939	17	907,000	1,623

It was estimated that after the hostilities it took $300 to buy and install one reeling machine and another $200 as the operating capital and therefore, the capital for each reeling machine was $500. Although the cost of

construction and the cost of reeling machines were considerably increased in 1939, the prices of raw silk in the local market increased greatly, as shown in the following table:

Prices for Grade "B", Evenness 78, Dent. 20-22 Silk

Month	*Maximum Price*	*Minimum Price*
January	$1,450	$1,330
February	1,900	1,580
March	1,850	1,650
April	1,900	1,700
May	1,900	1,860
June	2,200	2,180
July	3,180	2,210
August	4,500	3,800
September	4,550	4,300
October	4,450	4,340
November	4,800	4,250
December	6,600	6,000

Supplies Restricted

Because of the control of the cocoons by the Japanese authorities in the occupied areas of Central China, Shanghai experienced much difficulty in the obtaining sufficient raw material to keep the filatures running all the time. Of the 38 silk filatures in Shanghai during the end of 1939, they should have produced a total of 70,900 piculs of silk per year but as a matter of fact, these filatures produced only 20,000 piculs of silk in 1938 and 15,000 piculs in 1939. In the first six months of 1940, the working conditions of the filatures were most unsatisfactory and a number of filatures was forced to suspend operations. The following table gives the number of filatures and the number of reeling machines operating in the first six months of 1940:

1940	*Number of Filatures*	*Number of Reeling Machines*	*Production*
January	7	1,319	370 piculs
February	6	959	280 „
March	9	1,352	450 „
April	14	2,471	* „
May	9	1,698	* „
June	8	1,302	* „

* In April, May and June, the daily production of these filatures ranged from 18 to 20 piculs only.

The main cause of poor working conditions of the filatures was the control of dried cocoons secured by the Central China Silk Company, one of the subsidiary companies of the Central China Development Company in the occupied areas of Central China. Local filatures depended only on the supply of some 20,000 piculs of cocoons shipped last September from east Chekiang. This year, with the closure of the Fukien and Chekiang coast by the Japanese navy, no cocoons were sent here from Ningpo and the local mills were forced to collect what few cocoons the merchants succeeded in smuggling in from the occupied areas. In September, only five silk filatures remained in operation.

Market Hit By War

The silk market in Shanghai was very quiet during June and July this year because of the extension of the European War, and local stock dropped by the end of June to 800 bales only, of which more than 500 bales had been previously sold. The Japanese silk exporters, with the assistance of the Japanese authorities and the cooperation of the Central China Silk Company, succeeded in collecting large quantities of silk in Wusih and other silk producing centers of Kiangsu and Chekiang provinces. In July, they tried to buy up the local stock but the price they offered was only $4,150 to $4,250 and the Chinese filatures refused to part with their stocks.

In addition to the difficulty of obtaining dried cocoons, silk merchants were asked from July 16 to pay a special "silk reconstruction tax" by the local Customs for export of silk. As time goes on, the silk trade will be monopolized by Japanese exporters and Shanghai silk filatures will be forced to suspend operations. All cocoons produced will be consumed by filatures in the interior under the management of the Central China Silk Company.

The following table gives the amount and value of raw silk exported during the first six months of the current year:

	Quantity in Kilograms	*Value in Chinese Dollars*
January	251,296	$20,193,276
February	103,355	8,973,306
March	104,270	9,664,709
April	92,322	8,322,514
May	210,003	19,635,239
June	167,517	15,960,695

Note: Information contained in this article was obtained from the Economic Research Department of the Kincheng Banking Corporation.

Outstanding Events in the Sino-Japanese War

A DAY-TO-DAY SUMMARY

First installment of this day-to-day summary constituting a complete record of outstanding events in the Sino-Japanese war on all fronts appeared in the September 11th (1937) issue of The Review.

September 28

Government officials in Chungking state that the signing by Japan of the Axis military and economic pact has not shaken China's determination in the slightest to wage its war of resistance against Japan until a final victory is achieved; they declared the alliance was no great surprise.

Japan took control of her first naval base in French Indo-China yesterday when Japanese forces occupied the Doson shore batteries which defend the port of Haiphong. American aid to Indo-Chnia is assured, according to Col. Henry Jacomy, of the special Indo-China mission to U. S.

A Royal Air Force plane was fired on yesterday by the Japanese while flying over British territory. The machine was not damaged.

The Japanese Foreign Minister, Mr. Yosuke Matsuoka, said last night that Japan's signature of an alliance with Axis will not result in Japan's immediate entry into the world conflict. The Japanese Premier, Prince Konoye, saw China's "defeat" in the Axis pact, believing the pact "would enable Japan to overcome difficulties." Japanese officialdom appears to be turning anxiously to a rapprochement with Russia, according to **United Press.**

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September 29

Despite Tokyo's threat of her entry into European war, the British Government last night publicly warned Japan that Britain, after being at war for more than a year, had toughened up, was in no mood for further appeasement of the Japanese.

Quoting authorized quarters, **Ta Kung Pao,** influential Chungking organ, stated the reopening of the Burma Road on October was a certainty.

German officials in Berlin indicated last night that the new tripartite pact between Japan, Italy and Germany was not expected to affect Russian aid to Chungking, as long as such aid was not "decisive."

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September 30

Admiral Yates Stirling, former Commander U. S. Yangtse Patrol, states Japan has finally removed her mask of friendship and through alliance with the Axis has revealed herself to be America's enemy. He declared the United States has ever been anxious and willing to help China by all means short of war to preserve her sovereignty against Japanese aggression.

Japanese forces in control of Haiphong yesterday invaded the godown of the American-owned Far Eastern Trading Company after tearing down a large American flag conspicuously displayed on the building, **United Press** reports. The incident was settled on the spot a few hours after the Japanese had apologized for the insult to the American flag and had agreed to withdraw from the building.

French forces along the new front south of Langson and 75 miles northeast of Hanoi remained on the alert to meet any further attacks by the militant Japanese South China army. Pro-Japanese "guerillas" roaming through the no-man's-land separating the two main armies, were said to have tortured to death at least 30 French thus far.

Major-General Raishiro Sumita has been appointed to replace Major-General Issaku Nishihara as Chairman of the Japanese Inspection Mission in Indo-China, the Army Headquarters in Tokyo announces.

Mr. Yankichiro Suma, Japanese Foreign office spokesman says that Japan will seek to negotiate a peaceful settlement of all Japanese-American problems with the United States Government despite the signing of the new Triple Alliance.

According to information received in Chungking, Chinese troops remain on Chinese territory and no order has yet been issued for Chinese troops to cross the French Indo-China border.

Mr. Chow En-lai, Chinese Communist leader, stated unequivocally yesterday that the Soviet Union would continue to aid China in its war against Japan. China was called as the "first line of defense of Western Powers in Asia" in a report on the progress of the Japanese drive in southeast Asia, published by the Foreign Policy Association, according to **United Press.**

The Nanking Foreign Ministry yesterday requested the British Ambassador to China, Sir Archibald Clark Kerr, to inform the British Government that the "National Government of China" has no intention of permitting a renewal of the British lease on the Liukung Islands, east of Weihaiwei, which expired today, it was revealed.

Kunming today was subjected to the worst raid in the City's history, when 27 Japanese planes, believed to have come from one of the newly-acquired bases in Indo-China, heavily bombed the City. Among damaged buildings were the Bank of Indo-China, the Yunnan Railway compound, the Church Missionary Society hospital and the head nurse's home, and the Hotel du Commerce.

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Oct. 1

The American Radio Service in Tientsin was raided yesterday by the French Concession police, making the records of the United States Marshal available to Japanese gendarmes at the French police headquarters, **United Press** reported. Seven Chinese employees of the radio station were arrested.

The Manila Chinese Consul-General, Mr. C. Kuangson Young, and the Chinese Overseas Minister and former Shanghai Mayor, General Wu Te-chen, conferred with President Manuel Quezon this morning on relations between China and the Philippines.

Eleven distinguished members of the Harvard University faculty, in a letter to the **Washington Star,** yesterday urged the United States to take immediate steps to prevent a Japanese conquest of China and Japanese naval dominance in the Pacific.

The Chinese Foreign Minister, Dr. Wang Chung-hui, told the press yesterday, that "the attitude and policy of the Chinese Government cannot be altered by any such treaty as that signed by Japan and the Axis powers," declaring that the aim of the Chinese Government has always been to maintain international order, so that all countries might live peacefully and on an equal footing.

Official circles in Washington watched Far Eastern developments without

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comment, but informed sources believed U.S. action would depend on the Burma Road decision as end of closure agreement drew near. Russian repercussions to Axis Pact were awaited.

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Oct. 2

Restriction of the export of military searchlights, aerial cameras and other military equipment was announced by President Roosevelt yesterday. Meanwhile, official circles further hinted the possibility of the control of Philippine trade with Japan.

A Russian spokesman told the **United Press** that even if Moscow and Tokyo concluded a non-aggression accord, the Soviet Union would by no means abandon China in place of an understanding with Japan.

Japanese troops invading Haiphong, French Indo-China, confiscated a large number of American trucks awaiting delivery to China, the captain of a Norwegian ship reported last night after arriving here from Haiphong.

The Japanese press warned Britain today that the Japanese Government would "resort to its own measures" if Britain reopened the Burma Highway for the shipment of War materials to the Chungking Government.

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Oct. 3

The British Government, after an exchange of views with Washington, decided to reopen the Burma Road on October 18, it was announced in London. Political quarters believed that the reopening of the Burma Road would mark the beginning of the end of the British appeasement policy in the Far East.

The influential **Ta Kung Pao** warned Great Britain that the next probable move of Japan in southeastern Asia would be an invasion of Burma from Indo-China, suggesting editorially that immediate Sino-British military cooperation should be arranged for the protection of Burma.

At today's press conference in Chungking a Chinese military spokesman confirmed the report that Japanese forces in northern Indo-China had reached Caopang, a strategic highway city, but declared the purpose of the Japanese occupation of Caopang was obscure.

The Japanese Army announced today that Gen. Sugiyama, member of the Supreme War Council, had succeeded Field Marshal Prince Kotohito Kanin as Chief of the Army General Staff.

A fleet of Chinese airplanes was said to have flown over Peiping yesterday morning, dropping 20,000 tracts containing speeches made by Generalissimo Chiang Kai-shek on July 7 and September 18.

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Oct. 4

The Secretary of State, Mr. Cordell Hull, reiterated yesterday that the United States was opposed to the closure of the Burma Highway on the grounds that the highway was an important international trade line. Meanwhile, reports from London revealed that a statement of Great Britain's decision concerning the Burma Road was expected shortly.

The **Kokumin**, Japanese influential paper, warned Japan of the possibility of her entering the European war.

In view of Japan insisting on the United States' recognition as a **fait accompli** of all that Japan has taken by force in the Orient, Admiral Yates Stirling, Jr., Former Commander U.S. Yangtse Patrol, declared that diplomatic achievements with Japan had been rendered impossible.

Part of the Japanese troops from Haiphong entered Hanoi suburbs at 1 p.m. yesterday, according to a dispatch received in Canton. The Japanese were known to have already overstepped the terms of the Franco-Japanese agreement reached on September 22.

Seen adopting a firmer stand in the Far East, Mr. Winston Churchill's first political gesture following a reshuffle in the British Government yesterday was to receive the Chinese Ambassador, Dr. Quo Tai-chi, to whom he was believed to have disclosed Britain's intention of reopening the Burma Highway after October 18.

Chinese troops launched an attack near the Hongkong and Kowloon border against Japanese forces there, which had been depleted as a result of reinforcements being sent to the Indo-China frontier, the Chinese military spokesman announced in Chungking at his weekly press conference.

*
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Oct. 5

French Government despatches from Hanoi report the Japanese occupation of the north-east Indo-China border zone in accordance with terms of the Franco-Japanese agreement of September 22 is thorough.

Responsible diplomatic sources in London tell the **United Press** that the Japan-Axis pact contains secret clauses "giving" Japan the Netherland East Indies.

According to a **China Press** report, official sources in Shanghai revealed that the dependents of all employees of local American firms had been advised to leave China as soon as possible.

A Directorate-General for Opium Suppression was organized by the North China Political Affairs Commission as a branch of the Board of Finance. It was proposed to enforce registration of all smokers and to make them pay a monthly registration tax to the North China authorities.

In an interview yesterday with newspapermen in Kyoto, the Japanese Premier, Prince Fumimaro Konoye, said Japan was prepared to fight the United States unless America recognized Japan's dominant role in East Asia.

Regarded as another step forward in the establishment of Japan's new national structure, the first meeting of the permanent managers and bureau chiefs of the Taisei Yokusankai was held at the official residence of the Premier, according to **Domei.**

"Japan is a fifth-rate power whose principal weapon is 'bluff'," stated Mr. C. V. Starr, publisher of the **Shanghai Evening Post and Mercury**, in New York, in an interview with newspaper reporters yesterday, describing Japan as "the most over-rated power on earth—by everyone except its own shrewd leaders."

*
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Oct. 6

Two waves of approximately 60 Japanese planes bombed Chungking's main artery between the walled city and the modern suburb, damaging the British Embassy, French Catholic Hospital and many houses in the consular zone.

The **Hochi** warned that the reopening of the Burma Road on October 18 through Anglo-American cooperation would lead to a world war.

"Bomphlet" raids by Chinese airplanes over Peiping were denied in Peiping, according to **Reuter.**

Thirty-six Japanese planes raided Chungking this morning for the first time in two weeks, although the wartime capital was shrouded in a haze. A number of the attackers were intercepted by Chinese fighters, and only 18 raiders actually appeared over the city. Meanwhile, Chengtu was also reported to have been bombed. The Japanese claimed, to have successfully attacked the Fengwangshan aerodrome in the north-eastern suburbs.

Havas reported from Tokyo that the Japanese Government had decided to make alterations to the National General Mobilization Law in order to gain greater control over private enterprises and to adopt a series of compulsory measures.

Who's Who in China

Mei Yi-pao, college professor, educator; born in Tientsin, November 5, 1900; graduate of Tsing Hua College, 1915-22; B. A., Oberlin College, 1924; Ph. D., University of Chicago, 1927; Cologne University, Cologne, Germany, 1927-28;

梅貽寶

Mei Yi-pao (Y. P. Mei)

Student Secretary, National Comm. Y.M.C.A., Shanghai, 1928-31; Registrar and Lecturer in Philosophy, Yenching University, 1928-31; Director of Studies and Assistant Professor in Philosophy, Yenching University, 1931-34; Acting President, Oberlin-in-Shansi, Shansi, 1934-36 (then on furlough from Yenching University); Dean of College of Arts and Letters and Professor of Philosophy, Yenching University, 1936-38; Director, Dansu Science Education Institue, Lanchow, 19338-40; Now, Head of Secretariate, Chinese Industrial Cooperatives, Chungking; Author of: "Ethical and Political Philosophy of Motse, Probsthain," London, 1929; "Motse the Neglected Rival of Confucius, Arthur Probsthain," London, 1932; address: C. I. C., Koloshan, Chungking.

Oct. 7

The Burma road in the Chinese territory will be bombed from Japanese air bases in Indo-China, was the warning given by Major-General Issaku Nishihara, former head of the Japanese Mission. Continuing, he revealed that the evacuation of Americans from the Far East would be interpreted as an unfriendly act against Japan. Meanwhile, the Japanese Premier, Prince Fuminaro Konoye, warned the Japanese people that Japan should "perpetually be prepared to meet the worst situation possible, which may unfortunately arise."

Generalissimo Chiang Kai-shek issued a message to the Chinese nation on the eve of the October 10 national festival, declaring China would never recognize Japan's "new order in East Asia," adding that "China's determination to last and her resolution not to submit to force, will dash Japan's fond hopes of quickly concluding the campaign in China by enlisting the aid of Germany and Italy."

Lord Lothian, British Ambassador to Washington, cancelled his trip to London because the British Foreign Office had advised him that a crisis seemed imminent in the Far East as a result of London's decision to reopen the Burma Highway on October 18 for the shipment of war supplies to the Chungking Government.

Political circles in Washington regarded the suggested withdrawal of American citizens from the Orient as closely linked with the impending reopening of the Burma Road.

Men and Events

Ralph Lester Gregory, 42 years of age, died at the Country Hospital on Oct. 12. He is survived by his widow, Mrs. Marian Richardon Gregory.

*

The **Cheng Yien Pao** reported on Oct. 24 that Sir Archibald Clark Kerr, British Ambassador, who is now in Chungking, has begun the study of the Chinese language.

*

Ken Tsurumi, who served as spokesman of the Japanese Embassy at Shanghai for several months, departed last week for his new post as Consul-General at Singapore.

*

M. Henri Cosme, French Ambassador to China, who arrived in Chungking last week, announced his intention of remaining in the war-time Capital for a considerable period.

*

Thurman R. Hyde, former proprietor of Del Monte Cafe in Shanghai, departed for the United States last week, where he intends to reside. He was accompanied by his mother.

*

Jack Belden, correspondent for **International News Service**, who departed for Chungking last week, became seriously ill in Hongkong and is confined to a hospital in that city.

*

Major Arthur Bassett, director of the British-American Tobacco Company and chairman of the American Red Cross Committee, has returned to Shanghai from a trip to the United States.

*

Tatsuo Kawai, Japanese Minister-at-large, who was sent abroad on a good-will mission to South America and Europe two years ago, returned to Japan by Trans-Siberian Railway on Oct. 26.

*

Ku I-chun, assistant manager of the Farmers' Bank of China, has been appointed acting manager of the bank, due to the illness of Yeh Cho-tang, general manager, who is seriously ill.

*

Chang Kia-ngau, former general manager of the Bank of China and now Minister of Communications, is making an inspection of communication facilities in the Northwest. He visited Sining, Chinghai on Oct. 27.

*

W. B. Pennington was scheduled to give a travelogue at the Royal Asiatic Society on Thursday, Oct. 31, on the subject, "From Indo-China to Zululand." The lecture was to be illustrated with pictures taken by the author.

*

The Soviet plane which the aviator V. Chkalov flew from Moscow to the United States in 1937 and later was exhibited at the New York World's Fair, was recently shipped to Vladivostok for flight back to Moscow.

*

Chinese Buddhists, according to **Kuomin** message from Chungking, have formed an International Buddhist Publicity Corps, which is planning to visit Buddhists in other lands. Countries to be visited first are India, Burma, Thailand and Ceylon. The group includes Lo Kuan, Min Lin and Chio Hua.

*

Two British Indians, Dalip Singh and Bishan Singh, were given a sentence of death, with recommendation for mercy, by the British Court in Hankow on Oct. 26. The men were accused of murdering a fellow Indian named Mit Singh, in Special Administrative District 1, on Sept. 1. The men were committed for trial by the British Supreme Court on Sept. 12.

Wang Shu-tseng was appointed a member of the Control Yuan on Oct. 25. Another appointment announced, also on Oct. 25, was Ku Cheng-kang as Minister of Social Affairs. Mr. Ku is director of the Central Party Social Affairs Department.

*

Hung Yu-fong, well known in Shanghai as the compradore of the Shanghai Race Club, died on Oct. 28 at the age of 73 years. He had served as compradore at the Race Club since 1898. A memorial service in his honor was held on Thursday, Oct. 31.

*

The National Government, upon the recommendation of Gen. Chiang Kai-shek, conferred posthumous honors on Capt. Wei I-ching, squadron leader, and Lieut. Li Kan, N. C. O. in the Chinese airforce, both of whom were killed in action against Japanese planes.

*

Abdul Rahman Siddiqui, Mayor of Calcutta, who had planned to visit China on Oct. 10, has postponed his visit to the end of November, according to **Reuter** report from Chungking. The reason for the postponement was illness, according to the report.

*

James Stewart, correspondent for the **Associated Press** in Chungking, was married on Oct. 22, to Miss Eleanor Heckelman, who had been connected with an American Hospital in Tokyo. The ceremony was performed at the American Methodist Mission by the Rev. W. A. McCurdy.

*

The branches of the four Chinese Government Banks, located in the International Settlement and French Concession, will not be closed, according to statement published in **The China Press** this week. The local Japanese newspapers had published a report alleging that the banks intended to close their offices here.

Orata Sugihara, first secretary of Embassy in Nanking, has been appointed Japanese Consul-General in Nanking. He will succeed Yoshiyuki Hanama, who has been appointed Counsellor of the Japanese Embassy at Hsinking, Manchukuo.

*

Yu Hsiang-lin, director of the General Affairs Department of the Directorate-General of Posts, who arrived in Hengyang on Oct. 26, stated that he was planning to visit all chief post offices in Hunan and other Southwestern provinces.

*

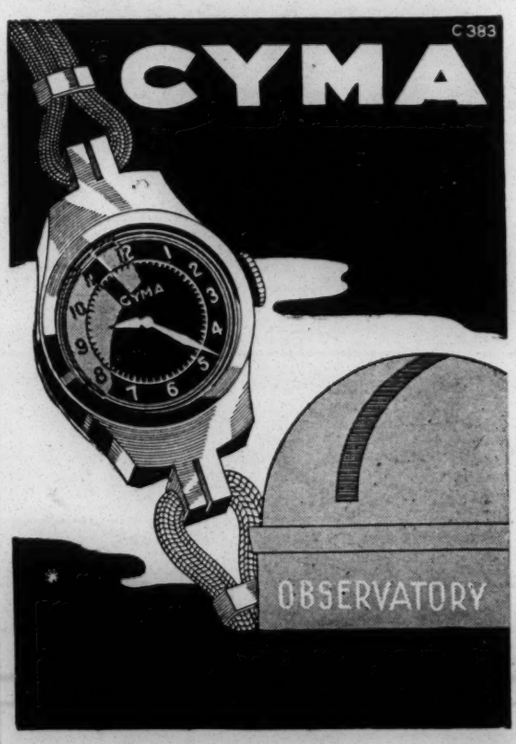
Chinese seamen, according to **United Press** from London on Oct. 25, have demanded a bonus of US$25 monthly for serving on British ships operating in the war zone. The report stated that 20,000 Chinese seamen ultimately might be affected by the demands. The present war risk bonus is US$8 a month.

*

Miss Chow Chiang-chien, honorary director of the Fifth Orphanage, established in Szechuen by China Child Welfare, died at Hokiang, Eastern Szechuen, recently. Miss Chow was popularly known as the "Mother of Wounded Soldiers," due to her service in military hospitals. The National Government is planning to hold a memorial service in her honor shortly.

*

The Shanghai Municipal Police (International Settlement) reported on Oct. 26 that 3,037 Chinese prisoners had been freed in the Settlement since the beginning of the Central Government's amnesty scheme. In addition to those freed 599 had been given conditional release. Of the prisoners liberated 1,361 or more than one-third had been re-arrested for offences, while 106 former-convicts given conditional release had also been rearrested. Of the remainder four had died and 17 were being sought by the police.



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A. T. Steele, correspondent for Chicago Daily News, who has been in French Indo-China for several weeks, returned to Shanghai this week. Mrs. Steele, who accompanied Mr. Steele to the United States on leave several months ago, has also returned to Shanghai. They are residing at the Metropole Hotel.

*

The New York World's Fair, which closed on Sunday, Oct. 20, after being open for two years, had a heavy deficit, according to **Transocean** message from New York. Some 300,000 individuals and companies, and 100 banks and large concerns, which bought the debentures, will suffer a loss of about 60% on their investment, stated the report.

*

Kojiro Nishikawa, 65 years old, well known as a socialist in Japan, died in Tokyo on Oct. 24. Mr. Nishikawa, with Sen Katayama and Shusui Kitoku, organized the Japan Socialist Party in Tokyo in 1901. Later Mr. Katayama was forced to flee to Russia while Mr. Kotoku was executed on a charge of lese majesty. The cause of Mr. Nishikawa's death was not stated in the report.

*

Frank P. Lockhart , new American Consul-General at Shanghai, arrived last week aboard the President Coolidge, after several weeks on leave spent in Washington. Mr. Lockhart was previously in charge of the American Embassy at Peiping. Richard P. Butrick, who has served as Acting Consul-General was scheduled to depart with his family for the United States on Nov. 1. Other U. S. Consular officials arriving on the President Coolidge, included J. K. Caldwell, Consul-General at Tientsin and Paul Tenney, Vice-Consul at Shanghai. John K. Davis, formerly consul at Nanking and at various other posts in China and Korea, has been appointed chief of the Philippines' Division of the Department of State. He will replace Joseph Jacobs, who has been appointed Minister to Egypt.

*

Prof. Pollard-Urquhart, well known member of the faculty of Tsing Hua University, formerly of Peiping, but now located in Kunming, was killed in an automboile accident on Oct. 16 at the town of Lotzu, near Kunming. He was leaving Kunming as a result of an air-raid signal when he was knocked down and suffered a severe injury of a knee, from which he died three days later. He was a brother-in-law of H. I. Prideaux-Brune, British Consul-General at Kunming. Prof. Pollard-Urquhart was born in Edinburgh on May 16, 1894 and was was educated at Christ Church, Oxford. He came to China following the World War and joined Tsing Hua as professor of English language and literature. He was principal of the Institute for the Promotion of English Studies, which was supported by the Rockefeller Institute.

*

A Chinese bodyguard named Hu Cheng-shwan, 43 years old, filed suit in the Second Special District Court on Oct. 24, to compel his former master, Hsu Mow-tang, manager of the Chung Wei Bank on Ave. Edward VII, to pay him a "livelihood fee" amounting to $60 a month for the remainder of his life. The bodyguard claimed that he once supplied blood for transfusion to cure Mr. Hsu's father, who was seriously ill. The guard claimed that—before the transfusion was given—he was promised that he would be supported for life. He said that he would be willing to settle for a lump sum of $12,000. The guard claimed that his health had been impaired as a result of supplying the blood and that he suffered severe pains in bad weather. The evidence indicated that the elder Mr. Hsu had died, despite the transfusion.

The American Red Cross has dispatched to China 200 tons of medical supplies, according to John Earl Baker and Walter Wesselius, special representatives of the organization who arrived in Hongkong from Washington on Oct. 22. The supplies were scheduled to be shipped to Chungking over the Burma Road, according to the report. It was stated that the American Red Cross had sent approximately US$1,000,000 worth of medical supplies to China since the beginning of the Japanese invasion.

*

Dee Ching-chuan, Chinese lumber king of the Philippines, who died recently while visiting in California, donated US$100,000 in aid of the fund for war orphans in China. In addition to Mr. Dee's contribution, his friends and business associates at Manila have announced plans of raising an additional US$400,000 for the Dee Ching-chuan Fund which will be sent to Madame Chiang Kai-shek. Mr. Dee was was president of the China Banking Corporation, owner of the newspaper **Fukien Times**, former chairman of the Chinese Chamber of Commerce and probably the best known Chinese businessman in the Philippines.

*

The U. S. Navy has purchased the entire tonnage of the Panama Pacific Line, according to report from Washington on Oct. 23. The ships, including five passenger and cargo ships, will be used as transports and small airplane carriers, according to the report. The Navy also purchased the 13,869 ton President Roosevelt from the United States Lines for US$500,000. It will also be used for transport purposes. The United States Lines announced on Oct. 24 that five additional "city" ships, City of Baltimore, City of Los Angeles, City of Newport News, City of Norfolk, and City of San Francisco, each of 8,424 tons, would be sold to the Navy Department for conversion into seaplane motherships.

Navy Day—165th anniversary—of the U. S. Navy was observed by Shanghai Americans on Sunday, Oct. 27. Owing to the absence of the USS Augusta, flagship of the U. S. Asiatic Fleet and the unsettled situation, there was no reception on the ships now in the harbor. Admiral Thomas C. Hart, who is now in the Philippines, sent a message to American residents of Shanghai in which he said that the purpose of Navy Day was to acquaint citizens with the duties and problems of the Navy. However, he said that Americans at Shanghai required no special lecturing on the vital role played by sea power in protecting American rights and interests beyond the continental limits of the United States. The Admiral assured the American Community that the officers and men were fully aware of their responsibilities and were ready to fulfill them.

*

Pere Nussbaum, a French Catholic priest who had been stationed near Batang on the border of Szechuen and Tibet, for many years, was murdered recently, according to a report in the **North-China Daily News** from its correspondent at Tachienlu, western Szechuen. He was murdered by Tibetans near Tsakalo, on the left bank of the Mekong. No details of the murder were available, but the dispatch stated that the Tibetan lamas had long desired to possess themselves of a piece of land which Pere Nussbaum had developed. Another priest named Pere Gore has been sent to replace him. The correspondent also reported that a French traveller named M. Liotard, who was surveying the Yuko country, part of the wild Golok territory north of Daofu and Kanze, was also killed by Tibetans. He was accompanied by another Frenchman named M. Guibot, who apparently escaped.

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The Vichy Government, according to **Havas**, has appointed M. Pierre Salade, acting vice-consul in Kunming, as Charge d'Affaires in Nanking. M. Armand Ganon, secretary-interpreter at the French Embassy will be placed in charge of the French Consulate-General at Kunming. M. Charles Lesca, vice-consul and acting attache at the French Embassy in Tokyo, has been appointed vice-consul in Tokyo. M. Lucien Colin, assistant-consul at the Embassy, has been placed in charge of the French Consulate in Tientsin. M. Amedee Beaulieux, secretary--interpreter at the Embassy, has been appointed as sistant-consul at the Embassy. M. Chataigneau has been appointed Minister to Afghanistan and M. Herve Grandin de L'Eprevier has been appointed Minister to Mexico.

*

Shanghai Public Hospital for Children, said to be the oldest children's hospital in Shanghai, is shortly to be removed from 65 Moulmein Road in the International Settlement to 51 Rue Moliere in the French Concession. The new property recently was purchased by the Committee. After the beginning of hostilities in 1937 two other hospitals for children, International Red Cross Emergency Infants Hospital and Shanghai Hospital for Refugee Children, which had operated for some time were amalgamated with the Shanghai Public Hospital for Children. These institutions had served 3,561 patients in the hospital and 13,797 in the out-patient department. Most of the beds in the hospital are free, the tubercular department being supported by the Shanghai Rotary Club. Many other beds are supported by China Child Welfare, Inc., which has its headquarters in the United States. The staff includes nine doctors and 20 nurses.

•

The "New Structure Movement," now in process of development in Japan is likely to experience considerable confusion from the standpoint of tourist promotion. A report from Peiping on Oct. 9 stated that an American Tourist Mission, which had arrived in Peiping, following a Japanese-conducted tour of Manchukuo, had visited places of interest in the ancient city and had been entertained at luncheon by Yu Chin Ho, Mayor of Peiping. The Mission was scheduled to return to the United States by way of Japan. On Oct. 12, three days later, the Japanese Railways Ministry and the Japanese Tourist Bureau had decided to "abandon their long dependence" on American tourists and in future to seek tourists in "friendly nations," presumably in Nazi and Fascist lands. The report stated that the tourist industry had suffered a serious slump from the boom days of 1936 when tourists—chiefly Americans—spent approximately Yen 170,000,000 annually in Japan.

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New Books of Interest in the Far East

Democracy vs. Totalitarianism

SWORDS AND SYMBOLS; The Technique of Sovereignty. By James Marshall. Oxford University Press, New York, London, Toronto. 1939.

Here in a fresh form, and with a brevity of treatment which is a real literary merit, is the age-long question of the political power of the state, by whom and how that power is to be exercised. Not surprisingly on Page 5 the reader meets with Bodin's famous definition which has been the basis of the traditional conception: "Sovereignty is supreme power over citizens and subjects, unrestrained by laws." But, to show the reverse with the obverse, Mr. Marshall in his last chapter reminds us through the words of James Madison, in The Federalist, that "power is of an encroaching nature, and ought to be effectually restrained from passing the limits assigned to it." One great merit of Mr. Marshall's book is the excellence and aptness of his many quotations from political writers of all shades, not least from Marx, Lenin and Trotsky. Curiously enough the name of Mussolini, who surely has ideas on this subject, finds no mention; Hitler, however is not so ignored.

Mr. Marshall is a New York lawyer, now president of the New York City board of education, and his point of view is suggested by a sentence in his concluding chapter: "The essence of democracy is equality and not the representative or parliamentary form of government with which it is confused." The difference between the democracies and the totalitarian states in other words is that in the democracies one is protected against irresponsible force; that is the vital thing. So far as representative institutions are concerned Mr. Marshall seems willing to accept Marx's statement that "the ruling ideas of each age have ever been the ideas of the ruling class," an idea indeed in which Aristotle happened to anticipate Marx.

Essence of the Problem

The essence of the problem of sovereignty, which is the power of the ruling group, lies in the relation of economic to political power, Mr. Marshall points out. For there are organized property interests whose powers compete with those of the state and possess "coercive power" in fact if not in theory. The state also can easily attach economic interests to itself; by tariff acts for example, or after the manner of some states by confiscations and fiat currency. Beside this, to the 'sword' of political and economic weapons are added the 'symbols' which serve as substitutes and make the use of force less necessary; notably, propaganda with its play upon the words Liberty, Rights, Popular Sovereignty, the 'withering of the state'. But the opposition also has economic weapons to use: the strike, the boycott, refusal to pay taxes and the like. Revolutionary crises are created by "the chronic lag of ideas and relations behind new objective conditions." The "withering away of the state" was a useful political fiction utilized by Lenin, for it suggests that a bureaucratic class called into being by the Soviet revolution and wielding all the powers of any 'state' —and many more beside—is really only temporary. Under its name is revived the primitive method "of achieving social solidarity and uniformity by cracking down on deviations, no matter how sound and reasonable." Government ownership, as a means of transferring economic power to the state would therefore only substitute bureaucracy for plutocracy. That way lies no solution.

The problem of reconciling conflicting interests in the democratic state arises out of continuously new conditions of disequilibrium which industrialism and technology produce. But industrialism is the condition we have and we must find political principles that will meet its challenge. And even the well-housed and the well-fed have their "psychic inequalities "which originate in the nursery" and which cannot be entirely eliminated.

In substance Mr. Marshall's point is that sovereignty is the art of a ruling group—one part of the community—employed in satisfying the opposing interests in the state. Its aim can only be approximately achieved. This power is justified by the fact that it is the resultant of all the conflicting forces. The broader the base of this sovereign group "the greater will be the equilibrium of society and the less need will there be for the power of the state to enforce the sovereign will." A democratic ideology today needs "an inclusive sovereign group" which diffuses physical force and economic power.

D. R.

Air Heroes Of China

As a memorial to Chinese airmen who sacrificed their lives for their country, the Chinese Aeronautics Commission recently published a booklet called "Chinese Pilots Who Died For Independence."

A description of how each of the 150 Chinese pilots lost his life is told in the publication, under his picture. The journal discloses that a fifth of the men were killed in accidents or on the ground during bombings. The remainder lost their lives fighting invading Japanese raiders.

Colonel Kai Chi-hang, leading Chinese air force trainer from Mukden, was the first Chinese airman to shoot down a Japanese bomber. He had a record of six Japanese planes. He was killed during one raid when a bomb hit the field before his plane left the ground.

Captain Liu Yu-kiang, another ace in the Chinese Air Force who had a record of seven Japanese planes, died in an accident. After thrilling residents of Nanking by hunting down a Japanese raider over the former capital, Captain Liu crashed in the mountains nearby.

The publication reveals an incident when a Chinese pilot was flying a Junker plane, the type used by Japanese in the early part of the war. The pilot was attacked by his own men as he neared his base and was finally forced to jump from the plane. He died when he landed in the Yangtze River.

Chinese Government Pays Tribute To Great Painter

The Executive Yuan in Chungking approved on October 23 a recommendation that posthumous honors be granted the late Chang Shan-tze, the well-known Chinese tiger painter, who died two weeks ago. (**Review**, Oct. 26, 1940).

JAPAN'S WAR IN CHINA

When the Sino-Japanese hostilities broke at Peiping on July 7, 1937 and at Shanghai on August 13 of the same year, THE CHINA WEEKLY REVIEW immediately began compiling a day-to-day record of out-standing developments in the struggle including the diplomatic side as well as the military. These handy little volumes, each covering a period of six months, have now reached five.

They are 5" × 7½" in size and the number of pages runs from 116 to 180 for the different volumes.

Vol. 5 of the detailed day-to-day record of Sino-Japanese hostilities is now off the press. It covers the period from July 7, 1939 to December 31, 1939.

Outstanding developments in this period include the beginning of Japan's air raids on Chungking, Wang Ching-wei's activities at Nanking, Anglo-Japanese negotiations over the Tientsin incident, beginning of terrorism at Shanghai, abrogation of the American-Japanese Trade treaty, initiation of anti-foreign movements by Japanese Army authorities, "slapping" and "stripping" incidents at Tientsin, Ambassador Grew's denunciation of Japan's anti-American activities in China, beginning of U.S. "moral" embargo against Japan, etc., etc.

Preceding volumes of this series cover the following 6-month periods:

Vol. I —July 7, 1937 to Jan. 2 1938
Vol. II —Jan. 2, 1938 to July 7, 1938
Vol. III—July 8, 1938 to Dec. 31, 1938
Vol. IV—Jan. 1, 1939 to July 6, 1939

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In the United States Court for China

MARY G. DEVLIN, *Plaintiff,* vs. JOSEPH HOWARD DEVLIN, *Defendant.*	Cause No. 4539 Civil No. 2418 ORDER Filed at Shanghai, China, this 23 day of October, 1940 WILLIAM T. COLLINS Clerk.

The object of this suit is an action for divorce.

WHEREAS, plaintiff herein, by her attorney, Mr. Orin de Motte Walker has this 21st day of October, 1940, made application for the substitution of publication for personal service upon the defendant herein; and

WHEREAS, it appears from the files in this case that on the 21st day of October, 1940, the summons for defendant was returned by the United States Marshal for China with the following noted thereon: "Defendant cannot be found within the jurisdiction of this Court"; and

WHEREAS, it appears from the files in this case that on the 21st day of October, 1940, the plaintiff herein filed an affidavit to the effect that the defendant does not reside in China, and that defendant's last known address was: Company "H", 15th Infantry, Fort Lewis, State of Washington, U.S.A.

NOW, THEREFORE, it is this 21st day of October, 1940, ORDERED that service upon the defendant be made by publication once a week for three consecutive weeks in the China Weekly Review, a paper of general circulation most likely to reach the defendant.

IT IS FURTHER ORDERED that the defendant cause his appearance to be entered herein on or before the fortieth day, exclusive of Sundays and legal holidays, occurring after the 9th day of November, 1940, the day of last publication of this order, otherwise the case will be proceeded with as in case of default.

By the Court.

MILTON J. HELMICK,
Judge.

Winter Claims First Toll Of Homeless Chinese

A blast of cold weather that settled on Shanghai the end of last week brought death to over a hundred homeless whose thin, undernourished bodies were unable to fight off the cold when they lay on the streets to rest.

The first cold night resulted in the death of 74 persons, 48 of whom were children. Friday night the death toll climbed to 81. Saturday of last week the death list took as sharp downturn as a result of milder weather.

Although this week started with mild temperatures, rain, and relief to the thousands forced to sleep out, S.M.P. and other organizations in Shanghai began to study the problem in an effort to give vital help when winter comes to stay.

Officials of the Salvation Army (**Review**, Oct. 26, 1940) predicted that poverty-stricken masses in Shanghai would face misery unparalleled in the history of the city unless drastic steps were taken.

Rice prices in Shanghai rose to unprecedented heights during the month of September, S.M.P. authorities announced last week. An increase of $16 per sheh was registered in the price of Kan Mee and an increase of $9.50 per sheh in that of Saigon rice. Approximately 170,150 sheh of foreign rice and 18,000 sheh of domestic rice arrived in Shanghai during September, police reported.

The price of Kan Mee ranged between $72.77 and $78.61 per sheh, Nui Mee between $66.56 and $69.11 and Saigon rice between $63.58 and $66.88, the report said.

From Tientsin came the report that on October 26 contracts had been concluded for the purchase of 8,000 short hons of the best Australian roller flour, purchased with the £100,000 set aside from the silver in the British Concession, formerly the property of the Chungking Government. The flour will be used for relief in North China. Interesting was the report that the contracts were concluded, due to the fact it was previously announced that the British Government had taken steps to buy the entire flour output of Australian mills for the next year.

BOTTLE NEED NOT BOTHER BABY

If it does, Mrs. Robert E. Brandon, of Markham, Ontaria, Canada, has this message for you; "As so often happens to bottle-fed babies, stomach trouble and constipation were so troublesome we despaired of ever raising our first baby. A neighbour recommended Baby's Own Tablets and they proved so satisfactory we have never been without them for over thirteen years, with the result we have five extra sturdy children. So far they have missed all the so-called children's diseases and four of the five were bottle fed."

And Mrs. M. Butchart, of Toronto, says this: "Baby's Own Tablets are excellent for bottle-fed babies as they assist in digesting foods which cause indgestion.

Baby's Own Tablets are equally effective in diarrhoea, simple croup, colic, colds, fever and teething trouble, also to expel worms. Sweet-tasting, easy to take, safe for the most delicate baby.

Never be without Baby's Own Tablets —sickness so often strikes in the night. Of chemists everywhere.

In the United States Court for China

LILY (LILA) HAYS, born WEINGARTEN *Plaintiff,* vs. JAMES MALCOM HAYS *Defendant.*	Cause No. 4540. Civil No. 2419. ORDER Filed at Shanghai, China, Oct. 24th, 1940. WILLIAM T. COLLINS *Clerk*

The object of this suit is an action for divorce and custody of the child.

WHEREAS, plaintiff herein, by her attorneys, has this 24th day of October, 1940, made application for the substitution of publication for personal service upon the defendant herein; and

WHEREAS, it appears from the files in this case that on the 24th day of October, 1940, the summons for defendant was returned by the United States Marshal for China with the following noted thereon: "Defendant cannot be found within the jurisdiction of this Court"; and

WHEREAS, it appears from the files in this case that on the 24th day of October, 1940, the plaintiff herein filed an affidavit to the effect that the defendant does not now reside in China, nor has he resided therein since December fourteenth, 1935, and that defendant's last known address was Cincinnati, Ohio, 925 Clinton Street, U.S.A.

NOW, THEREFORE, it is this 24th day of October, 1940, ORDERED that service upon the defendant be made by publication once a week for three consecutive weeks in the China Weekly Review, a paper of general circulation most likely to reach the defendant.

IT IS FURTHER ORDERED that the defendant cause his appearance to be entered herein on or before the fortieth day, exclusive of Sundays and legal holidays, occurring after the sixteenth day of November, 1940, the day of last publication of this Order; otherwise the case will be proceeded with as in case of default.

BY THE COURT:

Dated at Shanghai, China,
this 24th day of October, 1940.

MILTON J. HELMICK,
Judge.

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